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Japan

Tokyo Urges Tariffication Proposal Revision

OW0901014393 Tokyo KYODO in English 0132 GMT 9 Jan 93

[Text] Geneva, Jan. 8 KYODO—Japan on Friday repeated its call for a revision to a set of proposals made to wrap up stalled global trade talks that would force it to dismantle its ban on rice imports.

Hisao Azuma, head of the Japanese Agriculture Ministry's International Affairs Department, made the request at informal trade talks on agriculture held as part of the Uruguay Round of multinational trade negotiations.

Tokyo opposes the proposal known as the Tariffication Plan, which calls for replacing all non-tariff barriers with tariffs that could be cut gradually.

Trade negotiators from 23 countries, including the United States and the European Community (EC), attended the informal talks aimed at reviewing the U.S.-EC pact reached last year over farm export subsidies.

The United States and the European Community have long been at odds over export subsidies, and as a result the global trade talks have stalled.

Agriculture is one of the 15 sectors covered by the Uruguay Round held under the auspices of the General Agreement on Tariffs and Trade.

Tokyo Trade Organization Imports U.S. Rice

OW0901030693 Tokyo KYODO in English 0124 GMT 9 Jan 93

[Text] Tokyo, Jan. 9 KYODO—Packets of high grade U.S. rice, highly popular among Japanese living in the United States, have been sent to Japan's main trade promotion organization in Tokyo amid a row over the country's closed market to rice imports.

The packs of rice—one each of Japanese-originated varieties called koshihikari and akitaotome—were sent to the semigovernmental Japan External Trade Organization (JETRO) by its office in Los Angeles.

Koshihikari is one of the most expensive and valued varieties of rice in Japan, while akitaotome, a strain of Japan's akitakomachi rice, is grown in the United States.

Each pack, weighing nine kilograms, sells in the United States for about 18 dollars, less than half that of a similar pack of koshihikari sold in Japan.

Japan's stand against opening its market to rice imports is a big issue in ongoing global trade talks.

The U.S.-grown koshihikari reportedly is grown at the Isbell Farm Factory in Arkansas, home state of President-elect Bill Clinton, and a label attached to the American akitaotome pack shows it is made at the Riverbend Rice Miller in California.

Japan insists it must restrict rice imports to maintain self-sufficiency in the nation's staple food. That, with government subsidies paid to farmers, keeps the price of rice in Japan roughly five times as high as those overseas.

Efforts To Promptly End GATT Talks Urged

OW1101101393 Tokyo KYODO in English 0939 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—An advisory body to the trade minister on Monday urged the government to make every effort possible to swiftly conclude the Uruguay Round of multilateral trade talks, International Trade and Industry Ministry officials said.

A committee under the Industrial Structure Council released a statement calling for the government's maximum efforts to wrap up the global trade talks under the General Agreement on Tariffs And Trade (GATT) after its eighth round, the officials said.

The 32-member committee also strongly urged parties concerned to understand the importance of an early conclusion of the Uruguay Round talks, which the statement said is indispensable for improving economic efficiency of both production and consumption in Japan, the officials said.

Committee members said the United States and the European community have continued efforts to settle their negotiations by the middle of January, and that Japan as well has an international responsibility to do its best to bring the round to a successful conclusion, they said.

Some committee members said public support and understanding are essential for the government to reach a decision and that to this end the government should provide sufficient information on expected benefits from a conclusion of the talks, they said.

Official Urges 'New Approach' to U.S. Ties

OW1101114993 Tokyo KYODO in English 1115 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—Japan must be more assertive if it is to be treated as an "equal partner" by the incoming administration of U.S. President-elect Bill Clinton, a senior Foreign Ministry official wrote in a recent article.

"It is important for Japan to speak up and take the initiative," said Yukio Sato in an essay in the latest edition of the Foreign Ministry's monthly "Gaiko (diplomatic) forum."

Sato, director general of the ministry's North American Affairs Bureau, said Japan's long-standing passivity in the global arena and its routine compliance with U.S. policy considerations have engendered a belief that "Japan is vulnerable to foreign pressure."

He said that as Tokyo's posture has long been reflected in its ties with Washington, "it would have a symbolic significance to begin a new way of thinking in our partnership with the United States."

The advent of the Clinton administration provides "an opportune moment to begin a new approach," he said. "Whether this opportunity will be seized depends on how Japan acts from now."

Sato said bilateral relations have entered a "new era," following an initial phase of Japanese dependence on U.S. generosity after World War II and a period of readjustment of the power balance between the two countries.

"Many Americans now regard Japan as a big power standing on an equal footing with their own country," he said, adding that such a perception is particularly prevalent among Americans born after the war, including Clinton.

Sato said the relative decline of the U.S. economy and the country's worsening social problems have led the Japanese "to begin to question the credibility of American leadership in international affairs."

Furthermore, he said, there has been an increasing call in Japan for the country to "assert its identity" on the international stage and work with countries other than America on global issues.

"Japan, no longer in a position to see world issues primarily through the prism of the Japan-U.S. alliance, should address both economic and political issues through its own eyes and make its own opinions known to the world," he said.

Sato said it is also important for the Japanese Government to initiate talks with the Clinton administration at an early stage "in order to define common tasks and determine priorities."

He said Japan should set out early to convince the incoming administration it would be harmful to selectively expand the North American Free Trade Agreement (NAFTA) in the Asia-Pacific region excluing Japan, as once suggested by one official of the administration of President George Bush.

On Japan's desire to do away with the Structural Impediments Initiative (SII), Sato said it is important to agree with the new administration on "a mechanism through which the two governments can work out policy coordination on trade and economic issues."

He also called for the promoting of "consultations and cooperation between the two countries' business and industrial communities."

Sato proposed talks to assess the prospects for joint initiatives in the areas of macroeconomic policy coordination, exchange rates, and development of the multilateral free trading system after the end of the current Uruguay Round.

U.S. Base Urged To End Night Landing Practice

OW1101132193 Tokyo KYODO in English 1032 GMT 11 Jan 93

[Text] Aomori, Jan. 11 KYODO—Prefectural and local officials are demanding that a planned night landing exercise for U.S. jet fighters at the American military base in Misawa, Aomori Prefecture, next week be canceled.

Yuichi Komuro, head of the prefecture's General Affairs Office, presented his demands in a letter when he called Monday on the Foreign Ministry and Defense Facilities Administration Agency in Tokyo.

Misawa city officials also presented the demands to U.S. base officials.

"This exercise absolutely cannot be tolerated as it has forced intolerable hardships on the citizens of Misawa with noise pollution," the letter said.

It called the plans for an exercise regrettable, saying it would hurt friendly relations between Japan and the United States.

Jet fighters from the U.S. aircraft carrier Independence, currently docked at the naval base at Yokosuka, Kanagawa Prefecture, are scheduled to practice night landings at Misawa base from January 18.

International Telephone Joint Experiment Set

OW1101091793 Tokyo KYODO in English 0832 GMT 11 Jan 93

[Text] Osaka, Jan. 11 KYODO—Researchers from Japan, the United States, and Germany will carry out an automatic telephone translation experiment on January 28, officials said Monday.

It will be a joint experiment of Japan's Advanced Telecommunications Research Institute International and a project being jointly developed by Carnegie-Mellon University of the U.S. and Siemens of Germany, officials of the Japanese institution said.

The system is reportedly designed to have a computer automatically translate from one language to another during conversations on international telephone lines.

The researchers in the three countries will also check the capability of the systems they have separately developed, the officials said.

Calls of about 30 minutes each will be placed between Japan and the U.S., Japan and Germany, and Germany and the U.S., with some 700 conversational expressions planned to be translated, they said.

"We want to help everyone be able to communicate with foreigners just as easily as with Japanese...We hope this experiment will become a milestone in the research," one official said.

Tokyo Sends Back Group of 114 Vietnamese

OW1101131093 Tokyo KYODO in English 1009 GMT 11 Jan 93

[Text] Nagasaki, Jan. 11 KYODO—Japan on Monday deported a group of 114 Vietnamese who arrived in Kyushu illegally in 1991 after fleeing from Hong Kong without being screened as refugees.

The Vietnamese left Nagasaki Airport aboard a United Nations-chartered aircraft. Authorities in Hong Kong refused to accept them.

The Vietnamese had arrived in Japan by boat and were not screened as refugees because international law demands that such procedures be done in the country of first arrival, in this case Hong Kong.

Officials of the Justice Ministry's Immigration Bureau said the group was among 300 Vietnamese who arrived at Nagasaki and Kagoshima Prefectures via Hong Kong between May and October 1991.

The 300 Vietnamese reportedly first sought asylum in Hong Kong but headed for Japan without waiting for the outcome of their applications.

The officials said they were put up at a detention center in Omura, Nagasaki Prefecture, as illegal foreigners while Japanese authorities discussed repatriation procedures with the United Nations High Commissioner for Refugees (UNHCR) for those wanting to go home.

According to the UNHCR, the 114 are scheduled to return to their home towns after being accommodated at a facility in Hanoi.

An official of the UNHCR Japan office said, "We will call on both Japan and Hong Kong to implement inspections of the status of the remaining refugees who do not want to return home."

Tokyo Reportedly To Support AFTA Scheme

BK0901060093 Bangkok BANGKOK POST in English 9 Jan 93 p 13

[By Phaisan Sicharatchan in Tokyo]

[Text] Despite some doubt in Japanese business circles, the Japanese Government and the powerful Keidanren (Japan Federation of Economic Organisations) are throwing their support behind the ASEAN Free Trade Area (AFTA).

Senior officials at both the Ministry of International Trade and Industry (MITI) and Keidanren have officially welcomed the creation of AFTA, saying the economies of scale in manufacturing and the larger markets it will eventually offer will attract large-scale investments from Japan and other foreign countries in the long run.

"This is a positive move on ASEAN's part," said Takeshi Isayama, director-general of MITI's Economic Cooperation Department. "They (ASEAN) are aware of the growing competition in the world market. They are taking the initiative without having been asked by the major foreign investors."

Mr Isayama said about 30 top Japanese corporations interviewed by MITI last October voiced unanimous support for AFTA. These included big names in the automobile and electronic industries such as Toyota, Nissan, Honda, Sony and Hitachi.

Alongside their support was the suggestion for wider coverage. Mr Isayama urged that the 15 product categories targeted for accelerated tariff reduction over seven to 10 years under the 15-year AFTA scheme be expanded.

Keidanren also sees AFTA as an important vehicle that will increase market-scale economies, particularly for Japanese automobile and electronics industries.

Hiroshi Kadota, senior assistant director of Keidanren's Economic Cooperation Department, told BUSINESS POST that some Japanese manufacturers such as Matsushita and Toyota had started setting up the "network system of production" within selected ASEAN countries.

Mr Kadota said other Japanese corporations were planning to introduce the same system, whereby parts produced in different locations within ASEAN can later be shipped to one main assembly facility under reduced tariffs offered by the AFTA scheme.

In a background paper produced last month, Keidanren identified ASEAN as the pivotal growth region that it said would play a central part in the development of the Asia-Pacific area.

"ASEAN and the Asia-Pacific region will be a nucleus of economic growth, serving as a locomotive to (pull) the world economy," the paper stated. As Keidanren sees it, the chain of economic development has spread from Japan to the Asian NIEs (newly industrialised economies), ASEAN China and (later) to Vietnam.

Mr Isayama said the ASEAN countries currently enjoyed clear advantages over both the Asian NIEs and Indochina.

He said infrastructure in ASEAN member countries was superior to that in Indochina, while the total costs of investment in ASEAN were lower than in the Asian NIEs. The overall investment environment in ASEAN, including such things as the friendly policies of host countries and relaxation of regulations, is good.

"If ASEAN countries remain protected, their future will be dismal. If they want to develop further, they have to adopt more open policies and offer a unified market. That is why AFTA is welcomed," Mr Isayama said.

The Tokyo-based Nomura Research Institute has cautioned ASEAN to get its act together in ensuring AFTA's success, warning that it would otherwise lose out to China as a location for foreign investment.

Against the backdrop of the recession and steep shortfalls in corporate earnings following the bursting of Japan's "bubble economy," Japanese direct investment in ASEAN has declined over the last two years after peaking in 1990.

In the meantime, the Japanese are joining the current foreign investment boom in China by pouring more money into mega-projects along the northern Chinese coastal provinces. But Mr Isayama did not share the concern raised by Nomura. He believed there is no serious danger of ASEAN losing out to China, mainly because Japan and ASEAN share "the same concept on capital."

Whereas Mr Isayama was upbeat on his assessment of AFTA, Mr Kadota sounded a cautious note that AFTA might become counterproductive if the ASEAN countries raise external barriers (both in terms of imports and exports).

Miyazawa on Support for ASEAN Industries

OW0901020793 Tokyo KYODO in English 0146 GMT 9 Jan 93

[Text] Tokyo, Jan. 9 KYODO—Prime Minister Kiichi Miyazawa will pledge support for the development of industries to produce parts and materials for manufactured goods during his eight-day trip to four Southeast Asian countries from Monday, a major Japanese daily said Saturday.

The MAINICHI SHIMBUN said those areas have successfully developed export industries for home appliances and textiles but are weak in parts and materials and thus dependent on imports.

It said Japan plans to boost the industrial infrastructure of those countries by advising them on basic technology and personnel training.

By doing so, Japan hopes to correct its trade imbalance, the newspaper said.

Japan's total annual trade surplus with the six member countries of the Association of Southeast Asian Nations (ASEAN) was about 7 billion dollars throughout the late 1980s, the daily said.

Miyazawa will visit Indonesia, Malaysia, Thailand and Brunei. The two other ASEAN countries are the Philippines and Singapore.

Miyazawa Rejects Indochina Fund Proposal

BK1101020393 Bangkok BANGKOK POST in English 11 Jan 93 p 1

[Text] JAPANESE Prime Minister Kiichi Miyazawa has turned down a proposal by former Thai prime minister Chatchai Chunhawan for Japan to sponsor a US$2 billion Indochina Development Fund for the time being. However, he said that the proposal could be considered as a future topic.

"Japan has already begun to actively assist the countries of Indochina through bilateral economic cooperation and I think that in the future it will be necessary to make further use of the Asian Development Bank and other international financial institutions," Mr Miyazawa said.

He added that at this point in time, he does not think there is a need to immediately establish a new fund in addition to these sources, although it could be considered as a future topic, depending on the future capital needs of the Indochinese countries and the state of progress in their economic and social development.

The Japanese Premier asked whether his Government would support the proposed US$2 billion fund, first unveiled by Gen Chatchai during his visit to Vietnam last month, said that he was not aware of the exact details of the Thai proposal regarding the concept of establishing the fund.

"It is estimated that the process of development in Indochina will create great capital demands and I believe that the former (Thai) prime minister's proposal stems from a recognition of this need," he said.

One central scheme proposed by Gen Chatchai and requiring financing from the proposed fund is an ambitious highway network linking northeast Thailand with Laos and Vietnam.

Gen Chatchai is due to visit Laos on January 18.

Japan last November resumed its official development assistanoe (ODA) to Vietnam—by granting a 45.5 billion yen commodity loan—after a longstanding freeze since the Vietnamese invasion of Cambodia in 1978.

Miyazawa: Tokyo Counts on U.S. Security Role

BK1101014793 Bangkok BANGKOK POST in English 11 Jan 93 pp 1, 3

[Text] Japan will not assume the role of a regional policeman but will continue to rely on the United States to provide a security umbrella for the Southeast Asian region.

This is the message Japanese Prime Minister Kiichi Miyazawa will convey to the regional leaders as he leaves Tokyo today for a four- nation ASEAN tour covering Indonesia, Malaysia, Thailand and Brunei.

Mr Miyazawa reiterated that Japan "will not walk the path of a military power".

In the event that an emergency situation were to arise in this region and military force were required to contain and resolve it, the role currently played by the US military is irreplaceable. This fact will not change in the foreseeable future, he stated.

Despite concern in Asian capitals that the new U.S. administration of President-elect Bill Clinton may further scale down its military presence in this region through budget cuts, Mr Miyazawa said it is his understanding that Washington intends to maintain its military presence here even after the withdrawal of its forces from the Philippines.

He added the U.S. recognises the importance that maintaining its commitment holds for the peace and stability of this region.

The Japanese prime minister was responding to a question on whether Japan was prepared to take up the role of a new regional policeman in lignt of the reduced U.S. military presence and the virtual disintegration of the former Soviet Union's influence in the region, which has raised fears of a power vacuum.

This was part of written questions submitted prior to his departure for the ASEAN tour, the response for which were received over the weekend.

Mr Miyazawa was earlier interviewed by the Bangkok Post in Tokyo during which bilateral Japan-Thai relations and regional issues were discussed.

His implicit statement that Japan would not expand its security role beyond the non-combat, peace-keeping operations like those in Cambodia now puts to rest, at least for the time being, any prospect of Japan assuming a regional policing role.

This latest position came after his own foreign minister Mr Michio Watanabe last week kicked up a storm by openly advocating amendments to the country's post-war constitution to allow more active roles for Japanese peacekeepers abroad, including the patrolling of trouble spots.

Japanese militarism would not be welcomed by countries in this region which suffered Japanese atrocities during World War II.

But some ASEAN leaders meeting Mr Miyazawa this coming week will tell Japan to shoulder its share of burden in United Nations- initiated peace-keeping activities—and not just contribute money.

Talking to a group of newspaper editors from East Asia in Kuala Lumpur over the weekend, Malaysian Prime Minister Mahathir Mohamed said:

"If things become nasty, perhaps in Cambodia, (Japan) can't just send money and let somebody else fight. You have to be there.

"You might be killed there. So everybody should have a share of the risks and the dangers."

Dr Mahathir noted, however, that Japan must not take unilateral action "like making a decision that the situation in this region is not so stable, so 'we'll send a warship' here or something like that. That should not be done by anybody, not only Japan."

Mr Miyazawa is visiting Indonesia, Malaysia, Thailand and Brunei during January 11-18. He is scheduled to make a major policy address in Bangkok on January 16 during which he is expected to espouse on Japan's new roles in the Asia-Pacific region in the 21st century.

The Japanese premier will not visit the Philippines and Singapore on this trip but Philippine President Fidel Ramos and Singapore Prime Minister Goh Chok Tong, instead, will visit Tokyo next month.

In the regional security framework he emphasised the importance of the political and security dialogue which has been activated since the ASEAN Post-Ministerial Conference last year.

"I think that some picture of the future of this region's security should be arrived at through such efforts," he stated.

Without elaborating, he stated that specific disputes and conflicts in this region such as the Cambodia, territorial disputes over islands in the South China Sea and confrontation in the Korean Peninsula—should be resolved through the frameworks most appropriate to the circumstances.

Japan is banking on the Asia-Pacific region, notably the dynamic economies of ASEAN and Northeast Asia, to serve as the main engine of world economic growth leading into the next century.

In this context, Mr Miyazawa stressed the importance of maintaining and strengthening the open multilateral trading system under the General Agreement on Tariffs and Trade (GATT) plus the need to achieve an early and successful conclusion to the Uruguay Round.

He also highlighted the roles of the Asia-Pacific Economic Cooperation (APEC) and voiced his intention for Japan to expand its cooperation with this 15-nation body.

Japanese officials said Mr Miyazawa will espouse on three main themes during his ASEAN tour: reiterating that Japan will not become a military power, emphasizing the importance of the U.S.-Japan security pact, and promoting "openness and respect for plurality" among countries in the region.

These themes represent the gist of recommendations on how Japan should conduct its Asian-Pacific policy in the next century.

They were made by a special advisory committee, officially known as the Round Table on Japan and the Asia-Pacific Region in the 21st Century—which was appointed by Mr Miyazawa and comprising experts from different fields such as academics and businessmen.

The third theme on "openness and plurality" deals with how Japan sees its own role in promoting freedom and democracy among countries in this region.

The approach here is typical of Japanese conservatism. "In order to help bring freedom and democracy to the countries of this region, we must make persistent and realistic efforts rooted in an adequate understanding of their plurality" stated the Round Table report which was completed late last month.

"In promoting the goals of freedom, democracy and human rights, it is necessary for us to consider the experience of these Asia-Pacific countries, their suffering under harsh colonial rule, and to engage in quiet dialogue with them based on our experiences," the report added.

Miyazawa Leaves on Tour of Southeast Asia

OW1101004093 Tokyo KYODO in English 0019 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—Prime Minister Kiichi Miyazawa left Tokyo's Haneda Airport by a special flight Monday morning for Indonesia on the first leg of an eight-day tour of four Southeast Asian nations.

He will use the tour to stress the importance that Japan attaches to its diplomacy in the region, officials said.

Besides Indonesia, Miyazawa is scheduled to visit Malaysia, Thailand and Brunei, all members of the Association of Southeast Asian Nations (ASEAN). The other members of the six-nation group are Singapore and the Philippines.

Miyazawa is expected to propose a new cooperation program between Japan and the ASEAN nations to help build up infrastructure such as transportation networks extending over more than one nation.

Countries in the region regard the visit as an attempt to gauge their readiness to back a larger political role for Tokyo, analysts and diplomats in the region say.

Regional leaders expect Miyazawa to advance new ideas on security dialogue and economic cooperation during the tour. He will return home January 18.

Hopes for 'Journey of Dialogue'

OW1101124193 Tokyo KYODO in English 1107 GMT 11 Jan 93

[By Masanori Kikuta]

[Text] Jakarta, Jan. 11 KYODO—Japanese Prime Minister Kiichi Miyazawa started an eight-day tour of four Southeast Asian nations on Monday as he arrived in Jakarta to a ceremonial welcome.

The 20-minute ceremony staged at the Merdeka (Independence) Palace by Indonesian President Suharto was followed by a brief courtesy meeting between the two leaders.

Miyazawa told a Japanese press corps aboard a special plane carrying him and his 54-member entourage on the seven and a half hour flight that he hopes to make the visit "a journey of dialogue" with regional leaders to consider "what should be done for the stability and development of the Asia-Pacific region on the basis of friendly relations between Japan and ASEAN," officials said.

The Association of Southeast Asian Nations (ASEAN) groups the four countries Miyazawa is visiting—Indonesia, Malaysia, Thailand, and Brunei—plus the Philippines and Singapore.

Miyazawa said the ASEAN region "is politically stable and achieving remarkable economic growth, becoming the brightest spot in the world," the officials said.

They said Miyazawa hopes to use the trip to stress the importance Japan attaches to ASEAN in its diplomacy.

During the trip, Miyazawa is expected to test Tokyo's bid for a bigger political role and propose new ideas on cooperation between Japan and the ASEAN countries, including a framework for regional security dialogue and a program to help build a regional infrastructure such as cross-border transportation networks.

Later Monday, Miyazawa will attend a dinner hosted in his honor by Suharto at the State Palace adjacent to the Merdeka Palace.

The two leaders are scheduled to have two hours of talks on Tuesday. Suharto is expected to renew his call for Indonesia, as chairman of the Non-Aligned Movement, to be allowed to attend the Tokyo economic summit in July of the world's seven major industrialized countries, a request he made during a Tokyo meeting with Miyazawa last September.

Miyazawa will fly to Kuala Lumpur on Wednesday before proceeding to Thailand and Brunei. He will return home on January 18.

Commenting on Miyazawa's visit, the English daily JAKARTA POST said in its Monday editions Japan must offer "stronger assurances" that it will not sacrifice the interests of other countries in pursuing a greater international role.

"In the past, we have had doubts about Japan's intentions," the paper said in an editorial. "Many of us even had difficulty fathoming what was really in Japan's mind."

The recent secrecy-shrouded plutonium shipment from France to Japan raised "major doubts" in many Asian and other countries, the editorial said.

"The most disturbing question raised was—how far would Japan go in sacrificing the interests of other countries for the sake of ensuring its own?" it said.

"That Japan should play a greater international role needs no mention. What we need, however, is stronger assurances, backed by action," it said.

Watanabe Leaves for Trip to Europe 11 Jan

OW1101043793 Tokyo KYODO in English 0430 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—Foreign Minister Michio Watanabe left Tokyo on Monday for an eight-day trip to France, Belgium, and Spain.

After meeting with French President Francois Mitterrand and French Foreign Minister Roland Dumas during an initial stop in Paris, Watanabe is slated to meet Russian Foreign Minister Andrey Kozyrev, U.S. Secretary of State Lawrence Eagleburger, and German Foreign Minister Klaus Kinkel at a Wednesday ceremony for the signing of a convention banning chemical weapons.

Watanabe will leave Paris on Thursday for Brussels, where he will meet with Belgian Foreign Minister Willy Claes and European Community (EC) President Jacques Delors.

On Friday, he will attend a Japan-EC ministerial conference focusing on Japan's trade surplus and go to Madrid later in the day for talks with Spanish Foreign Minister Javier Solana Madariage.

Watanabe is scheduled to return home January 18.

Naruhito Meets With Middle East Envoys

OW1101134493 Tokyo KYODO in English 1319 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—Crown Prince Naruhito met Monday with ambassadors from five Middle East countries ahead of his trip to the region later this month.

The crown prince is scheduled to visit six countries—the United Arab Emirates (UAE), Saudi Arabia, Qatar, Oman, Kuwait and Bahrain.

At the official residence of the UAE's ambassador to Japan, the crown prince met with ambassadors of the nations he will visit, except Bahrain which does not have an embassy in Tokyo, the officials said.

The meeting was held in the evening over Arabian cuisine, the officials said.

The crown prince, the eldest son of Emperor Akihito and Empress Michiko, is awaiting formal approval on January 19 by the Imperial Household Council of his engagement to Masako Owada, the eldest daughter of Vice Foreign Minister Hisashi Owada.

Greenpeace Urges Plutonium Proliferation End

OW1001122793 Tokyo KYODO in English 1205 GMT 10 Jan 93

[Text] Tokyo, Jan. 10 KYODO—The international environmental group Greenpeace called Sunday for stopping the proliferation of plutonium as it issued a declaration signed by leading scientists, politicians and entertainers.

Greenpeace said the declaration coincided with a rally in Tokyo the same day. Japan's plutonium carrier Akatsuki Maru arrived in the port of Tokai, Ibaraki Prefecture, on January 5 loaded with a ton of plutonium reprocessed in France.

Calling such shipments a threat to the human health, the declaration said continued plutonium production "will inevitably lead to nuclear weapons proliferation and global environmental contamination."

Over 125 people from more than 20 countries signed the declaration. Among the signers were actors Arnold Schwarzenegger, Jack Nicholson and Julia Roberts, musician Billy Joel, and members of the Irish rock group U2.

Nations must take steps to stop the processing or separation of plutonium, end commercial or military use of the substance, and ban national plutonium stockpiling, the declaration said. It also said trading in plutonium should not be allowed, and transportation of the material should only be carried out for final storage under internationally accepted conditions.

Japan plans to transport about 30 tons of plutonium to Japan from Europe over the next decade for use in its fast-breeder reactor program.

Tokyo Welcomes Iraq's Removal of Missiles

OW1101110893 Tokyo KYODO in English 1053 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—Vice Foreign Minister Hisashi Owada said Monday Japan welcomes Iraq's removal of its missiles from the no-fly zone in southern Iraq established by Western allies.

Owada told a press conference the Western allies still must pay attention to the issue depending on what move Iraq makes, but that "the removal itself should be welcomed."

Japan will demand that Iraq take the U.N. resolutions very seriously and refrain from taking further actions likely to cause tensions, he said.

Tokyo To Assess Chemical Weapons Left in PRC

OW1101014193 Tokyo KYODO in English 0118 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—The Japanese Government will dispatch a team to draw up an inventory of chemical weapons left in China by the former Japanese Imperial Army, government sources said Monday.

The latest move coincides with the scheduled signing by the Governments of Japan and China of an agreement banning the use of chemical weapons.

The agreement would go into effect as early as two years from the signing which is scheduled to take place Wednesday in Paris.

Signatory countries must declare all their chemical weapons stocks within 30 days of the effective date and then destroy them.

The sources said the government has decided to take action before the treaty comes into force.

The Chinese People's Liberation Army said last year it had documented 2,000 cases involving the Japanese Imperial Army's use of chemical weapons and the resulting injury or death of 80,000 people, including civilians.

Chinese authorities report the presence of about 200,000 abandoned chemical weapons, most of which are considered to be of Japanese Imperial Army origin.

The Foreign Ministry dispatched experts to China on two separate occasions in 1991 for preliminary investigations and has already begun unofficial consultations with authorities in China.

As a result, Japan and China played key roles in drafting the wording of the section in the treaty dealing with responsibility for the disposal of chemical weapons.

China wanted the treaty to specify that countries which abandon the weapons should have responsibility for their disposal but the agreement ultimately stated that both the country which abandons such weapons and the country in which they are held should attend to the disposal.

Japan and China will now have to discuss how they can best cooperate over the disposal of the weapons once Japan recognizes them to be of Japanese origin.

Many of the chemical weapons used in China were manufactured on the island of Okuno in Hiroshima Prefecture, western japan.

New SDPJ Chairman Yamahana Interviewed

OW0901115193 Tokyo NHK General Television Network in Japanese 1245 GMT 6 Jan 93

[Interview with Sadao Yamahana, chairman of the Social Democratic Party of Japan, by NHK newscaster Tadashi Sonda; via satellite, with Yamahana at an unidentified location and Sonoda in the NHK studio; from the "NHK New 21" program—live]

[Text] I am going to interview Mr. Yamahana, who has just been nominated as the new chairman of the main opposition Socialist Democratic Party of Japan [SDPJ].

[Sonoda] Mr. Yamahana, thank you for granting us this interview despite your busy schedule. There are reports today that the crown prince has chosen his bride. I would like to ask you some questions. A decision has been made concerning your assuming the chairmanship without an election, even though there has been criticism that you were chosen through a factional compromise. What do you think of this criticism?

[Yamahana] I just heard reports on the crown prince's choosing his bride. I would like to express my congratulations. I was not chosen as chairman through a conventional factional compromise. I was named to become chairman after I resolved to run for the chairmanship and announced my bid for the post; therefore, I believe that I won support from our party members for my bid.

[Sonoda] Circumstances surrounding the SDPJ have been tough since it suffered a defeat in the upper house elections last year. Mr. Yamahana, as the youngest chairman ever, what are you going to do first to reform the party?

[Yamahana] I believe that party reform should not be confined to only changing the chairmanship. I intend to overhaul the party, and I want to begin running the party with the feeling that the party must show its new image to the people in such aspects as personnel affairs, policies, organization, and campaigning.

[Sonoda] It has been suggested that the SDPJ has not broken away from its conventional resistance policy, under which it opposes everything. For example, Mr. Yamahana, what do you think of the Self-Defense Forces [SDF]?

[Yamahana] Our party has firmed up a policy aimed at shifting itself away from being a party of resistance to a party capable of running the government, and I believe that we have reached an intraparty consensus on this point. As for the SDF, therefore, our party will directly face the fact that, in reality, it does exist. Then we would like to to press specific proposals on the ruling Liberal Democratic Party [LDP] for discussion. This policy, I am confident, will certainly win the general public's understanding.

[Sonoda] What do you think of the issue concerning the SDF?

[Ymahana] I think that many people have not changed their opinion that the SDF is in violation of Article 9 of the existing Constitution. At the same time, however, it is a stark fact that the SDF does exist and plays a certain role, and this fact cannot be denied. While confirming the existence of the SDF, our party has demanded it scale back, in keeping with the global disarmament trend. Our party claims that it is ridiculous to increase this year's defense budget over last year's. We intend to make similar concrete proposals concerning the SDF. My feeling is that our party should make realistic proposals for the SDF while recognizing its actual existence.

[Sonoda] I would like to confirm this point. Do you think the SDF is constitutional or unconstitutional?

[Yamahana] I have no choice but to say that, legally speaking, the SDF is unconstitutional under Article 9 of the Constitution. In view of the present state of the SDF, I think I have no other choice but to draw such a conclusion. Nonetheless, I cannot deny the SDF exists, and our party would like to continue to present our arguments, such as ideas on how the SDF should be turned into an asset for the people.

[Sonoda] Well, next comes the issue of regrouping the political parties, which is expected as early as either before or after the dissolution of the House of Representatives, which is followed by the general election. How does the SDPJ intend to deal with this issue?

[Yamahana] I think that a definite orientation has been set for regrouping the political parties; however, difficult problems remain, such as issues concerning the Ozawa or Hata factions, which will have to be watched very closely. I think we will deal with regrouping the political parties in a positive way. If the people's expectations should lie in breaking down the current politics under the LDP's firm one-party rule, I think the SDPJ will spare no efforts, even at the expense of the party itself, to work out forces capable of bringing about administrative changes.

[Sonoda] Mr. Yamahana, you stressed the objective of creating a coalition government at the press conference held today. In concrete terms, how do you plan to tackle this problem?

[Yamahana] I think what is most important is how we are going to indicate the SDPJ's approach toward those matters that are of great concern to our people at the moment. There are a pile of problems that have to be tackled—such as the next Diet session, the Sagawa Kyubin scandal, political reform, and economic issues. The Miyazawa administration, however, whose support rate has dropped to a little over 10 percent, has rather haphazardly formed a new cabinet. Because of this, people are questioning the responsibilities of the opposition, including the SDPJ, the largest opposition party. Therefore, there will be many occasions at the next Diet session in which the opposition parties will join together to carry on their fight to the end. I think this will be the way the next Diet session will start.

[Sonoda] Yes. Mr. Yamahana, my last question concerns the selection of party executives, which I think will become an urgent task for you. Mr. Yamahana, you have stressed promoting a generational shift by selecting younger people with acting power. Have you already made any concrete plans to do this?

[Yamahana] Starting this very day, I would like to form a new leadership structure that will be acceptable to all on the basis of selecting talented, younger personnel with acting power who will be capable of working out a general consensus in a democratic way.

[Sonoda] Thank you very much for this interview today, despite your busy schedule.

[Yamahana] Thank you.

Nakasone on Difficulty of Miyazawa Reelection

OW1001063693 Tokyo KYODO in English 0526 GMT 10 Jan 93

[Text] Tokyo, Jan. 10 KYODO—Former Prime Minister Yasuhiro Nakasone said Sunday that Prime Minister Kiichi Miyazawa will have trouble being reelected for a second term as president of the ruling Liberal Democratic Party (LDP) if his public popularity continues plunging.

Miyazawa's two-year term as LDP president expires in September. The LDP presidency carries with it the prime ministership due to the LDP's commanding majority in the 512-member House of Representatives.

Nakasone, speaking on a live television program, said it would be difficult for Miyazawa to be reelected if public support for him continues to be low.

"Whether or not a prime minister will be reelected should be judged according to the public support rate. Would the public be happy if he is reelected with the support rate of 10 percent?" Nakasone said.

In a December survey by KYODO News Service, the public support rate for the cabinet of Miyazawa was 16.1 percent.

Nakasone also suggested in the program that the lower house should not be dissolved and a general election held until around January 1994 to give the economy time to recover.

The four-year term for incumbent lower house members expires in February 1994 but political observers say a general election could be held this year.

Nakasone said a key factor for the possible reorganization of Japan's political world would be a breakup of the largest opposition party, the Social Democratic Party (SDP).

"The reorganization will happen if SDP members clearly split into those who support such things as the Japan-United States Security Pact, the Self-Defense Forces, and nuclear power plants, and those who do not," he said.

Ozaki Urges Early Diet Approval of Budget

OW0801114293 Tokyo KYODO in English 1031 GMT 8 Jan 93

[Text] Tokyo, Jan. 8 KYODO—Vice Finance Minister Mamoru Ozaki on Friday urged early passage through the Diet of the budget plan for the next fiscal year to enliven the lifeless economy.

Ozaki told a regular press conference the government is "hopeful of combined economic-boosting effects from the fiscal 1993 budget and the supplementary budget for the current fiscal year," which cleared the Diet in December.

"I strongly hope next year's budget will be approved and implemented from April 1," he said.

The ordinary session of the Diet will open January 22, with one of the key issues at table being passage of the budget.

Ozaki also said Japan should not necessarily follow the example of some European nations to lower interest rates immediately, noting the different economic climates facing each nation.

"The changes in monetary policy by European nations were prompted by volatile currency markets and they were not intended to boost their economies," he said.

Central banks in Switzerland, Belgium, the Netherlands and Austria cut interest rates in concerted moves Thursday, while the German Bundesbank eased its short-term money market rates, raising hopes for an imminent reduction in the key Lombard and discount rates.

Hiraiwa Flexible on Deficit-Financing Bonds

OW1101091993 Tokyo KYODO in English 0842 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—The head of the Federation of Economic Associations (Keidanren) on Monday expressed a flexible attitude toward the government's issuing deficit-financing bonds to raise funds for income tax reductions to stimulate consumer spending.

Gaishi Hiraiwa, chairman of the powerful business organization, told a press conference that an income tax reduction should be taken as an emergency measure together with a mixture of other financial policies, including a cut in the official discount rate by the Bank of Japan.

The chiefs of two other influential business bodies—the Japan Federation of Employers' Associations (Nikkeiren) and the Japan Association of Corporate Executives (Keizai Doyukai)—earlier called for tax cuts through the issuing of deficit-financing bonds.

Regarding the country's economic position, Hiraiwa, who is also chairman of Tokyo Electric Power Co., said, "only after considering business conditions in March, one can say whether the economy has already hit bottom or is worsening."

Ministry Hints at Stock Market Stimulation

OW1101130893 Tokyo KYODO in English 1112 GMT 11 Jan 93

[Text] Tokyo, Jan. 11 KYODO—The Ministry of Finance is ready to take new actions whenever necessary to shore up the stock market slump, a top ministry official indicated Monday.

The official, who declined to be named, told reporters the ministry is maintaining a careful watch on developments in the market and is studying necessary measures.

The key Nikkei stock average of 225 selected issues on the Tokyo stock exchange dipped 45.14 points to close at 16,589.55 on Monday.

Referring to the yen's recent weakness, the official said its current levels reflect the fundamental conditions of the Japanese economy.

North Korea

High-Level Iranian Guards Corps Delegation Arrives 11 Jan

SK1101115593 Pyongyang KCNA in English 1038 GMT 11 Jan 93

[Text] Pyongyang January 11 (KCNA)—A high-level delegation of the Islamic Revolution's Guards Corps of Iran [IRGC] headed by its General Commander Mohsen Reza arrived here today.

The delegation consists of Chief of General Staff of IRGC Mohammad Baqr Zolqadr and other members.

Present at the airport to greet it were Minister of People's Armed Forces O Chin-u, Vice Marshal of the Korean People's Army Kim Kwang-chin and Iranian Ambassador to Korea Hasan Taherian.

A welcome ceremony took place at the airport.

O Chin-u Meets Delegation

SK1101114093 Pyongyang KCNA in English 1036 GMT 11 Jan 93

[Text] Pyongyang January 11 (KCNA)—Minister of Armed Forces O Chin-u today met and had a friendly talk with a high-level delegation of the Islamic Revolution's Guards Corps of Iran led by General Commander Mohsen Reza which paid a courtesy call on him.

Present on the occasion were Vice Marshal of the Korean People's Army Kim Kwang-chin and Iranian Ambassador here Hasan Taherian.

Commentary Denounces Japan's 'Hostile Policy'

SK1001115693 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 8 Jan 93

[Commentary by Yun Pyong-son: "Undisguised Expression of Hostile Policy"]

[Text] Defying the strong protests and denunciation by people at home and abroad, the Japanese authorities brought in a large quantity of plutonium that can be used as raw material for nuclear bombs.

On 5 January a high-ranking Japanese Government official raved about suspicions of North Korea's nuclear development, worries about nuclear hijacking [haek napchiui kokjong], and so forth, thus slandering and provoking us.

This is contemptible. It is designed to divert the spearhead of criticism and denunciation at home and abroad against Japan and to conceal its intent for nuclear armament. The remarks are indeed intolerable and absurd.

The Japanese authorities babbled that we are developing nuclear weapons. However, it is actually the Japanese authorities themselves who are accelerating nuclear armament.

As everyone knows, Japan began pushing ahead with the development of nuclear weapons a long time ago. Successive Japanese prime ministers, including Sato and Nakasone, said that under its present constitution Japan may possess nuclear weapons, Japan may possess the quantity of nuclear weapons necessary for freedom, Japan may use nuclear weapons as a deterrence, and so forth. Thus, Japan accelerated the development of nuclear weapons and preparations for production both secretly and openly.

Japan had already completed the nuclear weapons system enabling it to launch nuclear warheads during the third defense planning period. In addition, Japan not only launched nuclear-powered ships and manmade satellites but also tested high-performance ground-to-sea missiles. All of this shows that Japan has the technology to develop nuclear weapons, as well as the technology and equipment to deliver them.

Having accomplished this much, Japan also formulated a plan to accumulate 400 tons of plutonium in the future. This amount will enable the manufacture of more nuclear warheads than the United States and former Soviet Union possessed.

The Japanese authorities loudly raved that their accumulation of plutonium is prompted by an energy drain. However, such remarks are merely an excuse for concealing their nuclear armament maneuvers.

Japan has completed all facilities, acquired material, and finished technological preparations for producing nuclear weapons. Japan is accumulating more plutonium than necessary. Experts believe that Japan can produce nuclear weapons at any time it desires.

Japan's recent import of a large quantity of plutonium clearly demonstrates the presence of nuclear arms, which are extremely provocative, threatening the world's people.

Yet the Japanese authorities provoked us, who have no nuclear weapons and who have no need to make them, by making absurd remarks on suspicions about nuclear development, worries about nuclear kidnapping, and so forth. This is indeed the same act as a thief calling, "Stop, thief!" This is a malicious challenge to and mockery of our people, who are making all efforts for denuclearization and peace.

Japan has adhered to various acts of slander and defamation against our republic, historically regarding it as enemy. By kicking up a commotion recently over preposterous nuclear suspicions, Japan is viciously maneuvering to isolate us. The absurd remarks of a high-placed Japanese Government official are an undisguised expression of its hostile policy toward us.

We treasure the nation's dignity and sovereignty more than anything else. We will absolutely not tolerate such a hostile policy by Japan.

The Japanese authorities should immediately cancel their smear campaign and defamation and should apologize. Otherwise, the scoundrels will encounter more stern denunciation and rejection from our people and the world's people.

As the first nation in history to suffer from the use of nuclear weapons, Japan should have risen in the struggle to abolish nuclear weapons. Rather, it is scheming to become a new nuclear power. This crime goes against the demand of the times and infringes on mankind's desire for peace. This road will also lead Japan to ruin.

The Japanese Government authorities, remembering the lessons of history, should abandon reckless nuclear armament maneuvers. At the same time, they should abandon their hostile policy toward us according to the unanimous demands of the Japanese people and world people, and should act with discretion.

Government Proposes 20 January JNCC Meeting

SK1101104293 Pyongyang KCNA in English 1031 GMT 11 Jan 93

["14th Meeting of North-South Joint Nuclear Control Committee Proposed"—KCNA headline]

[Text] Pyongyang January 11 (KCNA)—Choe U-chin, North side's chairman of the North-South Joint Nuclear Control Committee [JNCC], sent a telephone message today to his South Korean counterpart, Kong No-myong, proposing to hold the 14th committee meeting.

At the end of last year, the North side, with a view to overcoming the difficulties standing in the way of the joint committee, made a reasonable proposal to have committee meetings and contacts of members without interruption and repeatedly urged the South side to respond to the proposal, the telephone message noted, adding:

In its December 26 telephone message, the South side avoided defining the date of the contact of members, let alone the committee meeting, openly revealed its intention to resume the nuclear war exercise "Team Spirit" and made it impossible for the joint committee to take a step forward.

We feel regret at this.

The entire fellow countrymen and world conscience hope the North and the South will sit at the negotiating table from the position of national independence at an early date on the significant first anniversary of the adoption of joint declaration on the denuclearization of the Korean peninsula so that the obstacles lying before the joint committee may be removed, the rules of nuclear inspection be discussed open-heartedly and successfully and a new signal turn be effected on the road to peace and denuclearization of the Korean peninsula.

In the new year, the North side proposes to hold the 14th meeting of the joint committee on January 20, the significant first anniversary of the adoption of the joint declaration on denuclearization, and the ninth contact of members on January 15 in order to give the entire fellow countrymen and the world people who cherish justice and peace new hope for and conviction of the denuclearization of the Korean peninsula.

Foreign Ministry Criticizes Japanese Plutonium Operation

SK0801235593 Pyongyang Korean Central Broadcasting Network in Korean 2220 GMT 8 Jan 93

[Statement by DPRK Foreign Ministry spokesman on 8 January]

[Text] A spokesman for the DPRK Foreign Ministry issued the following statement on 8 January on the arrival in Japan of the Japanese ship, "Akatsuki-Maru." The ship is loaded with a large amount of plutonium.

Statement by the spokesman of the DPRK Foreign Ministry:

According to a foreign news report, on 5 January, the Japanese ship, "Akatsuki-Maru," arrived in Japan's Tokai port from France loaded with 1.7 tons of plutonium. The transport of plutonium by Japan encountered opposition and denunciation from many countries, including countries along the coast of its transport route because of its danger.

Regardless of great international apprehension and strong denunciation, the Japanese authorities forced the sea transport of plutonium. This is an intolerable challenge to the world's people who oppose nuclear weapons and desire peace. It is a threat to world peace. This shows that Japan's maneuver to arm itself with nuclear weapons has reached a very grave stage.

The Japanese authorities dragged in and stockpiled by adventurous means a large amount of plutonium, enough to make hundreds of atomic bombs. This is a new threat to peace and security in Asia. Moreover, since we are near Japan and have been a direct victim of the Japanese imperialists' aggression, we cannot but deal with this in a very serious way.

Especially, what must not be overlooked is that when the ship, "Akatsuki-Maru," arrived in Japan, the Japanese authorities—like a thief crying stop thief—had the impudence to say that someone may be able to snatch this nuclear material and so on. They groundlessly found fault with us. This fully revealed the true intention of the Japanese authorities to continue to drag in plutonium under every conceivable pretext so that they can arm themselves with nuclear weapons, and become a nuclear power without fail.

This also proves that the Japanese authorities have persistently found fault with us by saying that there exists the possibility of nuclear arms development and a nuclear development program. This is nothing but a deceitful trick to turn the world's attention elsewhere. It is an attempt to cover up their ambition to arm themselves with nuclear weapons.

The Japanese Government should no longer carry out this kind of despicable act. It should stop the reckless maneuver of arming itself of nuclear weapons which runs counter to the unanimous demand and desire of the world's peace-loving people.

Comments on START II Signing

SK0901105993 Pyongyang KCNA in English 1051 GMT 9 Jan 93

["DPRK Foreign Ministry Spokesman Calls for Total Abolition of Nuclear Arms"—KCNA headline]

[Text] Pyongyang January 9 (KCNA)—The spokesman for the DPRK Foreign Ministry had an interview with KCNA today on the signing of the START-2 between the United States and Russia.

The spokesman told KCNA:

If the START-2 signed between the U.S. and Russia is practically implemented, it will make a positive contribution to averting the danger of nuclear war and preserving peace.

The United States and Russia should not confine themselves to it, but totally abolish nuclear weapons.

In order to preserve a durable peace and security in the world, primary attention should be paid to removing the danger of nuclear war and realising disarmament in Asia.

In preserving peace in Asia and the world, a pressing issue is to realise denuclearization and disarmament on the Korean peninsula.

The DPRK Government is making every sincere effort to turn the Korean peninsula into a nuclear-free, peace zone.

The United States should discard the cold-war era mode of thinking, accept overall inspection of the U.S. nuclear weapons and bases in South Korea, withdraw its troops from South Korea, pursue a balanced policy toward the North and South of Korea and thus substantially contribute to realizing denuclearization and disarmament on the Korean peninsula and creating a peaceful climate for the settlement of the Korean question.

Urges U.S. Policy of Equality

SK0901235093 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Jan 93

[Text] A spokesman for the DPRK Foreign Ministry on 9 January answered the questions posed by a KCNA reporter on the signing of the START II treaty between the United States and Russia, as follows.

According to a foreign press report, the U.S. President and the Russian president signed the START II treaty between the United States and Russia on the further reduction and limitation of offensive strategic weapons in Moscow on 3 January.

According to this treaty, the United States and Russia are expected to be reduce their offensive strategic nuclear weapons to 3,500 or less by 1 January 2003. This means a reduction by two-thirds of the current number of nuclear warheads possessed by the United States and Russia. If the START II treaty signed by the United States and Russia is really implemented, it will contribute to preventing the danger of nuclear war and ensuring peace. The United States and Russia should not remain at that level, but should take further steps to abolish nuclear weapons completely.

It is the consistent aspiration of the people of all countries to live in a free and peaceful world free from nuclear weapons. To ensure durable peace and security in the world, proper attention should be given, above all, to eliminating the danger of nuclear war and realizing disarmament in Asia. In doing so, the denuclearization of the Korean peninsula and the realization of disarmament on the peninsula should not be neglected. The most acute issue in ensuring peace in Asia and the world is to realize denuclearization and disarmament on the Korean peninsula. Realizing the denuclearization and disarmament of the Korean peninsula are the consistent positions of the government of our Republic.

The government of our Republic is making every sincere effort to turn the Korean peninsula into a nonnuclear, peace zone free from nuclear weapons and war. The United States should give up the cold war era's way of thinking, accept the overall inspection of its nuclear weapons and nuclear bases in South Korea, withdraw its troops from South Korea, and implement a policy of equality [kyundung chongchaek] toward North and South of Korea, so as to practically contribute to realizing the denuclearization and disarmament of the Korean peninsula, and help provide a peaceful environment for the solution of the Korean question.

KCNA Views President Bush Remarks at West Point

SK0801233793 Pyongyang KCNA in English 2232 GMT 8 Jan 93

[Text] Pyongyang January 8 (KCNA)—U.S. President Bush in a farewell address to the U.S. military academy in New York on January 5 told that the United States should serve to intervene in overseas trouble spots when U.S. leadership is at stake, according to a foreign press report from Washington. He also said the U.S. must not flinch, when the nation is called on to exercise its leadership "in a world where we are the only remaining superpower."

This is nothing but a preacher openly inciting a fever of aggression among the young people who will become U.S. army officers.

The present is an era of independence, and the people who live in this era never allow foreign domination and subjugation.

In disregard of this stark reality, Bush prattled about "U.S. leadership" to justify their attempt to place other countries under their domination and subjugation. This clearly shows once again that the aggressive nature of imperialism will never change.

Kim Chong-il Thanks Units, Working People

SK0801112193 Pyongyang KCNA in English 1027 GMT 8 Jan 93

[Text] Pyongyang January 8 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to builders of 11 units including the Pyongyang Municipal General Bureau of Construction and the central district public buildings construction company and their helpers who performed feats in the construction of a new school building of Kim Chaek University of Technology.

The builders and helpers introduced monolithic construction methods by large frames and made a three-dimensional campaign by ensuring links between processes and thus successfully completed the new school building of Kim Chaek University of Technology as a monumental edifice of the Workers' Party era.

Comrade Kim Chong-il sent thanks to officials, party members and working people in Haeju city who set an example in aiding the People's Army.

He also sent thanks to the Pyongyang Chinhung senior middle school which presented "Wishes," an embroidery work, on the occasion of the new year 1993.

KCNA Cites Radio Moscow Report on U.S. Troops in South

SK1101050293 Pyongyang KCNA in English 0438 GMT 11 Jan 93

["Radio Moscow Calls for U.S. Troop Pullout From South Korea"—KCNA headline]

[Text] Pyongyang January 11 (KCNA)—Commenting on the unabated tensions on the Korean peninsula, Radio Moscow on January 2 said only the withdrawal of U.S. troops and mass destruction weapons from South Korea and North-South talks would open the way for a peaceful solution of the Korean question and to tide over the present difficulties.

Washington and Seoul are continuously raising a hue and cry over "development of nuclear weapons" by the DPRK, failing to bring forth any positive fact and evidence, the radio reported, and added:

The persistent act of the United States and the South Korean "regime" is aimed at driving North Korea into a tight corner and thus seizing the political initiative and wresting some "concessions" from the DPRK.

Not only authoritative experts in this domain but politicians have clarified more than once that the DPRK has no possibility of making nuclear weapons.

DPRK, Qatar Establish Diplomatic Relations 11 Jan

SK1101112893 Pyongyang KCNA in English 1107 GMT 11 Jan 93

[Text] Pyongyang January 11 (KCNA)—Diplomatic relations were established between the Democratic People's Republic of Korea and Qatar state on January 11.

According to a joint communique on the establishment of diplomatic ties between the two countries, the DPRK Government and the Government of Qatar state decided to establish diplomatic relations at an ambassadorial level out of the desire to strengthen friendly and cooperative relations.

Both sides express the belief that to establish diplomatic relations and exchange ambassadors between the two countries would contribute to developing international cooperation and strengthening world peace, the communique says, adding:

The DPRK and Qatar state affirm their readiness to establish bilateral relations in conformity with the U.N. Charter and on the basis of the principles of peaceful coexistence, equality, mutual respect for sovereignty and territoria integrity of the two countries and noninterference in the internal affairs of the other side.

KCNA Reviews 9 Jan Pyongyang Press

SK0901061293 Pyongyang KCNA in English 0500 GMT 9 Jan 93

[Press review]

[Text] Pyongyang January 9 (KCNA)—Papers here today carry news that foreign newspapers reported works of the great leader President Kim Il-song.

Appearing in NODONG SINMUN is a solidarity letter to President Kim Il-song from the general secretary and international secretary of the people's electoral movement of Venezuela denouncing the decision of the U.S. imperialists and the South Korean authorities to resume the "Team Spirit" joint military exercises.

The press informs the readers that the dear leader Comrade Kim Chong-il extended thanks to the officials and employees of the Chonchon County commercial management office in Chagang Province who had greatly contributed to the improvement of the people's living standard by devoted services.

Printed in NODONG SINMUN is a message of greetings to Comrade Kim Chong-il from the general secretary and the international secretary of the Central Committee of the Peruvian Communist Party upon the publication of his work "*On the Fundamental Questions of Revolutionary Party Building*".

Spotlighted in the press is a report that leaflets and literatures wishing President Kim Il-song and Comrade Kim Chong-il good health and long life were found in various parts of South Korea. Words of South Korean people revering them are also carried in papers.

Carried in NODONG SINMUN is a message of greetings sent by the Central Committee of the Workers' Party of Korea to Frank Vaude upon his reelection as chairman of the Communist Party KPML (R) [Communist Party of Marxist-Leninist Revolutionaries] of Sweden.

The 75th birthday of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, was commemorated in different countries, says the press.

An article of NODONG SINMUN deals with the revolutionary spirit and fighting mettle of self-reliance and hard struggle demonstrated by the anti-Japanese guerrillas.

The paper editorially calls for turning out in the struggle to defend and glorify Korean-style socialism.

The press gives accounts of meetings held in the provincial seats and industrial establishments to vow to bring a great upsurge in socialist economic construction this year in which falls the 40th anniversary of the victory in the Fatherland Liberation War.

Econews of the press includes reports about brisk farming preparations in rural communities across the country.

Carried in the press are gists of statements made by Han Ki- chang, chairman of the Central Committee of the General Federation of Trade unions, and Choe Yonghae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, supporting the policy of achieving the national reunification on the principle of national independence put forward in the New Year address of President Kim Il-song.

"Reunification through confederacy is most reasonable way to reunify the country on the principle of national independence" is the title of a NODONG SINMUN article.

Papers publish a statement of a spokesman for the foreign ministry of the DPRK denouncing the sea transport of plutonium by the Japanese authorities.

South Korean figures of various circles demonstrated in protest against the introduction of plutonium by the Japanese Government and workers of the Ssangryong motor company staged a total walkout demanding the payment of bonus, says the press.

It is reported in NODONG SINMUN that a collection of Comrade Zhou Enlai's works was published in China, the Congolese president outlined the way of development of African countries, the Lebanese president urged the implementation of U.N. resolutions, the Romanian president called for unity of society and leaders of various countries elaborated on tasks for building a new society.

The paper reports that the Malaysian paper NEW STRAITS TIMES exposed the nuclear designs of Japan and Japan schemes to dispatch more troops of the "Self-Defence Forces" overseas.

The press observes the first anniversary of the opening of diplomatic ties between the DPRK and the Ukraine.

An article of NODONG SINMUN exposes the anti-DPRK intrigues of the United States.

11 Jan NODONG SINMUN Review

SK1101051193 Pyongyang KCNA in English 0453 GMT 11 Jan 93

["Review of NODONG SINMUN"—KCNA headline]

[Text] Pyongyang January 11 (KCNA)—NODONG SINMUN today carries messages of greetings which came to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il from foreign party and state leaders on the occasion of the new year 1993.

According to the daily, the New Year address of President Kim Il-song was reported in many countries, and Kim Kwang-chon, Vice-chairman of the Central Committee of the South Korean National Democratic Front, made a statement to the press approving and supporting the new year address.

Seen in the daily is a letter to the C.C. [Central Committee], Workers' Party of Korea [WPK] from the chairman of the C.C., Burundi Party of Unity for National Progress supporting the policy of national reunification reiterated by President Kim Il-song in his new year address.

"*The Historical Lesson in Building Socialism and the General Line of Our Party,*" an immortal classical work of Comrade Kim Chong-il, was brought out in booklet in Laos, and the work was reported in Madagascar, says the paper. A letter to the C.C., WPK from the secretary general of the C.C., Communist Party of Malta supporting "*On the Fundamental Questions of Revolutionary Party Building,*" a work of Comrade Kim Chong-il, is appearing in the daily.

It rounds up voices of foreign political and public figures praising Comrade Kim Chong-il for exalting socialism with the might of singlehearted unity.

Edited in the paper is a solidarity letter to the C.C., WPK from the secretary general of the C.C., Algerian National Liberation Front Party denouncing the decision of the United States and the South Korean authorities to resume the "Team Spirit" joint military exercises.

The paper gives accounts of mass rallies held in different parts of the country to greet the 40th anniversary of the victory in the war with a high degree of political enthusiasm and brilliant achievements in production and construction in hearty response to the New Year address of President Kim Il-song and of the increased production of ordered equipment and timber.

It comes out with an editorial calling for thoroughly embodying the revolutionary principle and line of the Workers' Party of Korea, and with an article stressing that Korean-style socialism which guarantees the people genuine political rights is the most democratic society.

The daily informs the readers that the Burundian president received the Korean ambassador.

It prints an article under the headline "Great National Unity Should Be Achieved on the Basis of the Spirit of Patriotism and National Independence."

It reports about the vigorous anti-U.S. struggles for independence which took place in South Korea last year, and that the U.S. and South Korean authorities' scheme to resume the "Team Spirit" was denounced in various countries.

Included in the world news of the paper is a report that presidents of various countries in their New Year messages called for rejecting foreign interference and defending peace and stability.

In an article entitled "Japan Must Renounce Her Nuclear Ambition" the paper criticizes Japan for shipping in plutonium ignoring the world public opinion.

MINJU CHOSON Rejects South's 'Ballyhoo Against the North'

SK0801112093 Pyongyang KCNA in English 1032 GMT 8 Jan 93

["Ominous Cry of Nuclear War Servant"—KCNA headline]

[Text] Pyongyang January 8 (KCNA)—The South Korean authorities recently kicked up a shine about the North's "delay of nuclear inspection," saying "confidence cannot be built" between the North and the South unless "mutual nuclear inspection" is implemented.

Their persistent provocative ballyhoo against the North over the nuclear problem is a shameless sophism, a MINJU CHOSON analyst today says, and goes on:

The nuclear problem on the Korean peninsula originated when the United States deployed nuclear weapons in South Korea and kicked up a nuclear war racket in this region. At present, more than 1,000 U.S. nuclear weapons are deployed in South Korea and, worse still, they are steadily reinforced with sophisticated ones.

The South Korean authorities are these days getting frenzied in their bid to arm the puppet army with nuclear weapons, hastening the development of nuclear weapons.

The reality makes it urgent to take practical steps to make an overall inspection of the U.S. nuclear bases and weapons in South Korea and remove the nuclear threat on the Korean peninsula.

Nevertheless, the South Korean authorities, closing their eyes to them, are hastening the development of their own nuclear weapons, while scheming to resume the "Team Spirit" joint military exercises, a reckless preliminary nuclear war, with a voluble talk about the North's "nuclear threat" and "mutual nuclear inspection." This is a brazen deed reminding one of a thief crying "stop thief!"

The South Korean authorities must accept an overall inspection of the U.S. nuclear bases and weapons in South Korea and implement the North-South agreement and joint declaration on denuclearization in good faith.

NODONG SINMUN Sees Confederal System as 'Patriotic Formula'

SK0901112593 Pyongyang KCNA in English 1040 GMT 9 Jan 93

["NODONG SINMUN Calls for Reunifying Country Through Confederacy"—KCNA healine]

[Text] Pyongyang January 9 (KCNA)—The policy of reunifying the country through a confederacy, which was reiterated by the great leader Comrade Kim Il-song in his New Year address, is a highly important guideline on reunifying the country at an early date on the principle of national independence and in conformity with the desire of the Korean nation and the specific conditions of Korea, declares NODONG SINMUN today.

Confederacy is a patriotic formula aimed at reunifying the country with the nation's own efforts through the unity of the North and the South and without outside interference and building an independent unified state, a signed article of the paper says, and continues:

It is outside forces that imposed division on Korea; it is also outside forces that have obstructed the reunification of the country. It is self-evident that outside forces which divided Korea and have blocked its reunification will not make a gift of reunification to our nation. The reunification of the country is a national problem, a problem of right to national self-determination, which must be achieved with our nation as its motive force.

The confederacy formula advanced by the great leader is a reasonable one to realize the desire for national independence at an early date.

Under the actual conditions of Korea, confederation based on one nation, one state, two systems and two governments is the best way of solving the reunification question on the principle of co-existence, neither side infringing on the other's interests and neither side vanquishing the other or being vanquished.

The great leader has already proposed to found the democratic confederal republic of Koryo as a way of realizing the confederation.

The proposal has enjoyed full support and approval from broad segments of Koreans in North and South and overseas for its feasibility, reasonableness and fairness.

This eloquently proves that reunification through confederacy is an irresistible demand of the nation and the trend of the times.

NODONG SINMUN Lauds 'Korean-style Socialism'

SK0901112693 Pyongyang KCNA in English 1046 GMT 9 Jan 93

["NODONG SINMUN on Deeply Acquiring Advantages of Korean-style Socialism"—KCNA headline]

[Text] Pyongyang January 9 (KCNA)—NODONG SINMUN in an editorial today says that it is prerequisite to accomplishing successfully the grand task of socialist construction for the entire Korean people to deeply acquire the advantages of Korean-style socialism.

Realities clearly prove that our-style socialism which has been built by the great leader Comrade Kim Il-song and glorified by the dear leader Comrade Kim Chong-il is the most superior and invincible, the editorial notes, and goes on:

Our party is now calling the whole party and the entire people to the general advance to add lustre to socialism and demonstrate its advantages more powerfully.

The key to a revolutionary upsurge in political, economic, cultural and all other domains of revolution and construction in hearty response to the party's call lies in that the entire party members and working people turn out as one with the firm faith that our party is great and our-style socialism is superior.

When the entire party members and working people fight staunchly, deeply aware of the greatness and invincibility of our-style socialism, the whole society will be overflown with firm faith and will and heroic fighting stamina and a new upsurge will be effected in all domains of socialist construction.

To deeply acquire the advantages of our-style socialism it is imperative for the entire party members and working people to have a stand and viewpoint that our-style socialism is their life and soul, equip themselves with the revolutionary idea of our party and the chuche idea and know well how valuable and precious their dignity and happy life are.

The entire party members and working people should turn out as one in the struggle to defend and add lustre to our-style socialism with the great pride of living under the superior socialist system.

Daily Says U.S. Conducts 'Anti-DPRK Smear Campaign'

SK0901052093 Pyongyang KCNA in English 0506 GMT 9 Jan 93

["Despicable Anti-DPRK Campaign for Sinister Purpose"—KCNA headline]

[Text] Pyongyang January 9 (KCNA)—NODONG SINMUN today runs a signed article explaining why the United States resorts to a more malicious anti-DPRK smear campaign.

The U.S. war-hawks argue that the U.S. troops must be kept in South Korea as "a war deterrent" and the U.S. troops be redeployed into "a formation to cope with aggression from the North" because of "military threat from the North".

Branding this as a shameless argument reversing black and white, the paper says:

The tensions persisting in Korea are entirely attributable to the U.S. occupation of South Korea and war moves.

The United States and the South Korean authorities invented a fiction of "nuclear arms development" of the DPRK and decided to resume the "Team Spirit" joint military maneuvers in South Korea under that pretext. This is a vicious challenge to our peace efforts and a deliberate act to aggravate the tensions on the Korean peninsula.

The United States' outcries over "threat from the North" and "suspicion of nuclear arms development" are a crafty ruse to evade the blame for leading the tensions to the extreme extent and escalating war exercises on the Korean peninsula.

The vicious anti-DPRK campaign of the United States is also aimed at impairing the high international authority and prestige of the DPRK and isolating it on the international scene.

The realities of Korea deal a heavy blow at the imperialists vociferating about the "end" of socialism and inspire the revolutionary people of the world with faith in socialism and courage.

With false propaganda against the DPRK the United States seeks to keep off the revolutionary influence of anthropocentric Korean-style socialism from the progressive people of the world and, furthermore, stifle the DPRK and mount an overall offensive against the independent forces of the world.

The anti-DPRK campaign of the U.S. can never go down with anyone.

Daily Stresses Glorification of Socialism

SK0801124493 Pyongyang Korean Central Broadcasting Network in Korean 0024 GMT 5 Jan 93

[NODONG SINMUN 5 Jan special article by Dr. Chong Kwan-yong "Further Adding Luster to Socialism Is Honorable Task of Our Party and People"]

[Text] A brighter vista is opened up before our people who are on the road of grand advancement in the new year. In his New Year address, the great leader Comrade Kim Il-song put forth a glorious struggle task for our people to achieve a greater victory with new faith and optimism, while he presented a grand blueprint for constructing socialism this year.

The great leader Comrade Kim Il-song taught:

It is an honorable task for our party and people to smash all forms of challenges and obstructive maneuvers by the imperialists and reactionaries, defend and adhere to our socialism, and further add luster to it.

This glorious task raised by the great leader is a most correct guideline which elucidates the inevitable demand of socialist construction, the infinite loyalty of our party and people to the socialist cause, and the prospects for our revolution's victory, which are based on the demands of the changing situation. The great leader put forward the defense and glorification of socialism as the most important task. This loftily manifests our party's unswerving resolution and iron will to assume responsibility for our people's destiny to the end, and to brilliantly lead it under the banner of socialism.

The fate and future of socialism rests with the party's firm resolution and will. When the party leads the people with its unerring will to defend socialism to the end and add luster to it, it can overcome any kind of tempest and win victory. The firmness of the party's resolution to defend and glorify socialism depends upon how firm is its position to bear responsibility for the people's destiny to the end. This is because the fate of socialism is the people's destiny.

As the great leader taught in his New Year address, socialism is not only an indispensable part of our people's life, but is also our people's life itself. Man's intrinsic demand and desire to live independently can be brilliantly materialized only on the road of socialism. Apart from socialism, man's dignity and honor, as well as the value of his life, are unthinkable. If one forsakes socialism, one loses fatherland, happiness, and future. Eventually, it means death. This is a lesson obtained at a bloody cost, which today's international realities teach us.

The more heinous the imperialists' challenge is today, the firmer our party's resolution and will to smash it, to assume responsibility for our people's fate to the end, and to lead it will become. The glorious task given our party and people by the great leader in his New Year address is a grave declaration of our party's firm revolutionary position to safeguard our people's lives, and to materialize the lofty idea of socialism to the end, without wavering under any circumstances. It also is a vigorous demonstration of our party's firm will to do so.

Our party, while braving all forms of sacrifice over a long period of time, has boldly fought against outside forces' aggression and interference without wavering and succumbing, because socialism is our people's life itself. Even under the worst adversity, our party has firmly defended our people's fate and fundamental interest and brilliantly pioneered them.

As the great leader's New Year address puts forward, the task of smashing the imperialists' challenge and defending socialism is the continuation of glorious struggle to pioneer our people's fate. It is also the glorious struggle to adhere to the tradition and achievement of indomitable struggle, which our party has made in the historic struggle, and to further add luster to them.

The task of defending and adding luster to socialism, which the great leader Comrade Kim Il-song elucidated in his New Year's address, is also a sacred task which manifests the indomitable faith and revolutionary will of our people to traverse the road of most glorious life to the end. The struggle for socialism or capitalism is the struggle of paramount importance that determines whether a glorious life or a disgraceful death will result.

In his New Year's address, the great leader clearly expounded that safeguarding, defending, and adding luster to our own style of socialism, which was gained through bloody struggles, is precisely the only way for our people's glorious life and the way to victory. Our popular own style of masses-centered socialism which embodies the chuche idea, is a superior one which completely provides the popular masses with the most glorious and rewarding life.

No other society in the world fully guarantees human dignity and rights, and a political stability which responsibly grants diverse living conditions for the people. No other society provides its members with a more glorious life than our own style of socialism—in which all members of society share joys and sorrows together, as one large family—does.

Our people realize more clearly in today's changing situation and realities, that socialism of our own style is the way to leading a most dignified, rewarding, and happy life. Even today when imperialists maneuver to suffocate our Republic in more unscrupulous ways, there are no unemployed persons or beggars in our country. The fact that the state guarantees all living conditions like food, clothing, and housing for the people in a responsible manner in today's adverse conditions, is a miracle which cannot be thought of apart from the great politics of our party.

Even in today's grim situation of more unscrupulous acts of pressure, provocation, threat, and blockade by imperialists and reactionaries, the great leader delineated the realization of the long-cherished desire of our people to eat rice and meat soup, to wear silk clothes, and to live in a tile-roofed house as an important goal of socialist construction, and clearly elucidated the task and methods for realizing it in his New Year's address. This is a proud task for struggle which demonstrates the invincibility and superiority of our own style of socialism and amazes the people of the world. Our own style of socialism is good today, but it promises to be even better tomorrow.

Through history and reality, our people's faith defending socialism as victory, and renouncing it as death, is firmly rooted in their hearts, and they are now filled with the firm determination to defend socialism. This is why all of the people are now not only overflowing with infinite emotion and excitement to receive the New Year's address of the great leader who set forth the honorable task on advancing with the banner of socialism aloft, but are also vigorously accelerating to implement the task to its end.

The task on further glorifying socialism that the great leader Comrade Kim Il-song set forth in his New Year's address, is an honorable task which reflects the hope and expectation of the progressive people of the world who seek socialism. Today, the imperialists are babbling about the end of socialism. However, socialism still remains an ideal of progressive humanity, and the aspiration of the people for socialism is growing stronger with each passing day.

The popular masses of numerous countries where socialism has been frustrated now long for the happy era of socialism that existed in the past, and have bravely risen up in a new struggle to return to socialism while cursing capitalism restorationists. Today, one hundred several dozen communist and workers parties and progressive political parties of the world have signed the Pyongyang Declaration on defending socialism, and are vigorously waging a struggle for its realization. This fact shows that the world is entering a historic period in which the socialist movement is being rebuilt on a new foundation.

At this moment of historic vicissitude the great leader showed the way to victory by uplifting the banner of socialism higher in the face of imperialism's challenge. This is an inspiring banner and a beacon of hope which bestows great strength and confidence upon the revolutionary political parties and people who are struggling to rebuild socialism. Such reality not only gives greater honor and pride to our people, but also gives them heavier and more sacred responsibilities in their struggle to realize the honorable task set forth by the great leader.

Our people's struggle to further exalt the superiority and invincible vitality of our own style of socialism by brilliantly implementing the militant task elucidated in the New Year's address of the great leader is not only a struggle to expedite our revolution, but also an honorable struggle which will open a bright vista for the socialist cause of our times.

When we further advance its superiority by brilliantly implementing the militant task of this year, the traction our own style of socialism will have greater influence, and will more vigorously accelerate the historical forward movement.

The honorable task of firmly protecting the chuche revolutionary banner and stoutly advancing along the single road of socialism, even in this harsh environment, in which the antisocialist gale of imperialism is blowing throughout the world, is clear evidence of the greatness of the party and the leader. Leading the people to the single road of victory, the party and the leader are firmly holding fast to the key of the revolution, without the slightest wavering in any thunder and lightning.

In his New Year's address, the great leader Comrade Kim Il-song declared that the revolutionary principle and line to which our party and people should adhere is firm and unchangeable, and he assigned the task of protecting and glorifying socialism. This teaching by the great leader is a valuable guideline elucidating the basic key to protecting and glorifying socialism.

Our own style of socialism has been able to advance along the single road of victory even in worldwide stormy circumstances because our party has invariably adhered to the chuche-oriented revolutionary principle and line. As the great leader elucidated in his New Year's address, we should hold fast to the chuche principle and the general line of socialist construction, and thoroughly embody it in the future so that we can successfully implement the honorable task of protecting and glorifying socialism.

Our country's socialism stalwartly takes its stand as an invincible stronghold of socialism even in the antisocialist gale of imperialism because of the single-hearted unity between the leader, the party, and the masses. Single-hearted unity is the basic guarantee for the eternity and invincibility of our own style of socialism.

When all the people bear deep in their hearts the slogan, "Let us consummate the socialist cause to the end with single-hearted unity among the entire party, all the people, and the entire Army" presented by the great leader in his New Year's address and strengthen that single-hearted unity, the honorable task assigned to our party and the people will be brilliantly implemented.

With great dignity and pride in receiving the great leadership of the party and the leader, our people will display more highly the superiority and invincible vitality of our own style of socialism by brilliantly implementing the militant task presented by the respected and beloved leader in his New Year's address.

South Korea

Japan's NHK Interviews President-Elect Kim

OW1101151993 Tokyo NHK General Television Network in Japanese 1213 GMT 11 Jan 93

[Interview with South Koran President-elect Kim Yong-sam by Kimitoshi Igarashi, chief of NHK International Department, and Director of NHK Seoul Bureau Toshiyuki Sato at headquarters of the Democratic Liberal Party in Seoul; from the "NHK News 21" program; questioning conducted in Japanese with Kim answering in Korean with Japanese translation provided in subtitles; translation provided from the Japanese—recorded "earlier today"]

[Text] [Kim Yong-sam] I am the first civilian president elected democratically and legitimately by the people in the past 30 year. I think that I bear a very heavy responsibility and have a historic mission to perform. I will do my best to serve the people and the nation. [video shows scenes taken from Kim Yong-sam's election campaign, formation of the Democratic Liberal Party, and his meeting with President No, with "Tasks of ROK's Domestic Politics" subtitle]

[Igarashi] We can say that your long struggle for democracy was brought to an end with the recent presidential election and that a foundation for democracy has been established. What do you think is the largest political task of the Kim Yong-sam era?

[Kim] The most important thing is to enable the people to have courage and hope. In order to realize that, I will make a major reform and eradicate injustice and corruption. I will build a society, in which the people will be surely rewarded if they work hard. I have been a victim of the National Security Agency [NSC], which was involved in political maneuvers. However, the NSC will become a neutral organization. The role of the NSC is to collect information on international situation and to collect important information, which will be helpful to our future ties with North Korea. My fundamental idea is to separate the NSC from politics.

[video shows "How To Deal With the South-North Dialogue" subtitle]

[Igarashi] What do you think of North Korea's structure? And I would also like to hear your views on its fairly rigid attitude. Do you think it is very difficult to have clear prospects about future summit talks? I would like to hear your views on these issues.

[Kim] The joint U.S.-ROK military exercises will start next month; however, I am convinced that when these exercises come to an end, North Korea will respond to the resumption of the South-North talks at the prime minister's level.

There is a remarkable change in President Kim Il-song's New Year speech. In the past, Kim Il-song continued to severely criticize the ROK but there was almost no criticism of the ROK in his speech this year.

The ROK has improved its relations with Russia and China, and, as a result, North Korea has become economically isolated and it is faced with serious difficulties in economy now. Such a situation has been reflected in Kim Il-song's speech.

In the future, I also intend to hold talks with North Korea over the human rights issue. While over 100,000 people are still detained in North Korea as political prinsoners now, and over 500 South Koreans, such as fishermen, have been taken to North Korea as prisoners and they are still kept there. It was a mistake that the ROK Government has so far failed to bring up these issues.

[video shows "Future Relations Between Japan and the ROK" subtitle]

[Igarashi] There are various problems pending between the ROK and Japan. As president elect, what do you think are the problems that are most important or that will have to be settled most urgently?

[Kim] Since the ROK and Japan are two neighboring countries, we will have to get along with each other on friendly terms. I feel that the unfortunate history in the past has hampered development of our friendly relations in various fields.

In the past, Japan was the assaulter [kagaisha] while the ROK was the victim [higaisha] for 36 years. If Japan truly wants to promote friendly relations with our country, it must make a resolute decision on those issues on the past.

[Igarashi] During the 1980's, there were talks about the Japanese crown prince's visit to the ROK. And the crown prince reigns as the emperor now. The emperor paid a visit to China last year. What do you think of the possibility of his visit to the ROK?

[Kim] With regard to the future of our two countries, I would like to have talks with Prime Minister Miyazawa. Meanwhile, I would also like to seek understanding of our people. In this connection, Japan will have to take adequate measures in dealing with the past.

No Tae-u Asks Japan To Cooperate With President-Elect Kim

OW1101131993 Tokyo KYODO in English 1257 GMT 11 Jan 93

[Text] Seoul, Jan. 11 KYODO—South Korean President No Tae-u told a group of Japanese parliamentarians on Monday [11 January] he would like Japanese leaders to cooperate with President-elect Kim Yong-sam. No made the remark when he met with members of the Japan-Korea Parliamentarians Union, comprising Japanese Diet members of the ruling Liberal Democratic Party (LDP) and opposition parties.

No said he would like Japanese Government leaders to continue to be as cooperative with Kim as they were with him during his five- year term as president. The delegation will meet Kim on Tuesday morning before returning to Japan. No also said he appreciates Japan's revision of its Alien Registration Law to abolish fingerprinting requirements for permanent foreign residents in the country, which came into effect last Friday.

"I demanded at the Korea-Japan summit talks that fingerprinting requirements for Koreans living in Japan be removed from the law, and I appreciate the steady progress on this issue," he said.

Government To Present Draft of Semiconductor Agreement to U.S.

SK1101024293 Seoul YONHAP in English 0202 GMT 11 Jan 93

[Text] Seoul, Jan. 11 (YONHAP)—The South Korean Government will present its draft of a Korea-U.S. semiconductor agreement to Washington this week to stop the U.S anti-dumping investigation on Korean semiconductors, the Trade and Industry Ministry said Monday.

The agreement is to support the suspension agreement, whose rough draft is due on Jan. 28, ministry officials said.

Assistant Trade Minister Chae Chae-uk will fly to Washington on Tuesday to discuss the agreement with officials from the Commerce Department and the U.S. Trade Representative (USTR) for three days.

Seoul, having mapped out the agreement by the Economic Planning Board, and the Finance, Science and Techonology, and Trade Ministries over the weekend, hopes to start negotiating with the current U.S. Government before the new administration takes over on Jan. 20.

But Korea will have difficulty striking a deal if the results of an on-the-spot investigation on Korean semiconductor companies, charged with the preliminary anti-dumping ruling, turn favorably to the U.S. complainant, ministry officials said.

Commerce Department officials will deliver their inspection results on the production costs and sales prices of the Korean manufacturers of D-RAM (Dynamic Random Access Memory) chips—Samsung Electronics Co., Goldstar Electron Co., and Hyundai Electronics Co.—sometime Monday or Tuesday.

They flew into Korea for an inspection last November, after the three Korean companies were charged with selling their products at less than fair prices of between 5.99 percent and 87.4 percent during the preliminary ruling on Oct. 21. The final anti-dumping determination is scheduled for March 15.

The Korean Government ensures its support for the Data Collection Program (DCP) and suggests establishment of councils between the U.S. and Korean companies in the agreement, the officials said.

Under the DCP, Korean semiconductor exporters keep data on their shipment volume and prices by quota and must immediately submit the materials at the request of Washington. If they are found guilty of dumping, the U.S. Government can slap anti-dumping duties on them without court procedures.

Seoul's agreement is similiar to the U.S.-Japan semiconductor agreement, except that it excludes market opening as Korea has already invited foreign advancement, they said.

Although Washington is showing positive signs for settlement of the suspension agreement, sources in the Korean semiconductor industry say, it is pushing in with other demands than the DCP, which makes a phased withdrawal or reduction of Korea's current 9- percent tariff on semiconductor imports inevitable.

No Agreement in Fisheries Talks With France

SK0901112993 Seoul YONHAP in English 1035 GMT 9 Jan 93

[Text] Seoul, Jan. 9 (YONHAP)—The three-day fisheries talks between South Korea and France got nowhere Saturday due to the different position over the terms of unloading and port of entry, a Fisheries Administration spokesman said. Both countries agreed to the fishing quota, fishing fee and the number of Korean vessels engaging in the operation on the France-ruled Polynesian waters in the Pacific, he said.

They, however, failed to narrow their differences over the compulsory unloading amount of the catch and the duration of calling at a port by Korean vessels. It was decided that the next conference should resume in April, he said, adding that the venue for the talks would be discussed later through the diplomatic channel.

North Proposes Date for Next Nuclear Committee Meeting

SK1101084393 Seoul YONHAP in English 0834 GMT 11 Jan 93

[Text] Seoul, Jan. 11 (YONHAP)—North Korea proposed Monday to South Korea that their Joint Nuclear Control Commission [JNCC] meet on Jan. 20 at the border truce village of Panmunjom. A telephone message from Choe U-chin, northern-side JNCC chairman, to Kong No-myong, the southern-side chairman, proposed a commission contact on Jan. 15 and a plenary meeting on Jan. 20.

"Embracing a new year, I suggest the inter-Korean Joint Nuclear Control Commission meet on Jan. 20 to commemorate the first anniversary of the joint declaration on a nuclear-free Korea, born to give new hope and faith to peace and justice-loving people of the world and the two Koreas," Choe said. He requested that the commission members meet on Jan. 15 for talks before the JNCC meeting.

The 13th JNCC meeting was on Dec. 17, but it met with little progress due to disagreement over the Seoul-Washington "Team Spirit" military exercise.

The two sides have failed to see eye-to-eye on setting a date for the 14th meeting because Seoul suggested a contact to map out regulations on mutual nuclear inspections first and Pyongyang insisted on a simultaneous contact and meeting.

Foreign Ministry Denies Seeking Plutonium Contract With UK

SK1101030993 Seoul YONHAP in English 0214 GMT 11 Jan 93

[Text] Seoul, Jan. 11 (OANA-YONHAP)—South Korea denied Monday that it had ever sought a plutonium-extracting contract with Britain.

THE NEW YORK TIMES reported Sunday that Korea and Britain had sought the contract since 1991, but did not say if it was ever concluded.

The newspaper's report was totally groundless, a Foreign Ministry spokesman said, adding that Korea "does not plan to seek such a contract in the future either."

"Both countries signed an accord on the peaceful use of atomic power in 1991, but the pact doesn't include a clause on plutonium extraction," he said.

Korea imports uranium from the United States and Canada for its reactors and would need their approval to sign a contract on plutonium extraction with a third country using the uranium, he said.

Ambassador to U.S. Meets President-Elect Clinton

SK0901020093 Seoul YONHAP in English 0152 GMT 9 Jan 93

[Text] Washington, Jan. 8 (YONHAP)—U.S. President-elect Bill Clinton wished South Korea's new administration smooth sailing Thursday in a meeting with South Korean Ambassador Hyon Hong-chu. President-elect Kim Yong-sam will be sworn in on Feb. 25. Hyon told Clinton that Kim was grateful for his congratulatory message and hoped to meet him soon when they met at a reception after a conference of former U.S. secretaries of state in Little Rock, Arkansas. Clinton again congratulated Korea on its presidential election.

Hyon told him that the Korean people were comforted when Clinton pledged his resolute support for Korean security and reunification after his election.

Clinton said he was impressed by the way President No Tae-u discussed extensive Korea-U.S. relations and economic cooperation between Korea and Arkansas with him even though he was only the governor of a small state during his Seoul visit in 1988.

Reaction to Possible Restructuring Awaited

SK0401060193 Seoul YONHAP in English 0431 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—The Foreign Ministry was exceptionally keen on its first day at work in 1993 to learn of outside reaction to reports of its organizational expansion.

Vice Minister No Chang-hui greeted reporters with questions about public reaction to a proposal that the ministry cover external trade negotiations and be expanded to "Ministry of Trade and Foreign Affairs."

The basis for the decision on the organization restructuring should be on whether the government places priority on trade diplomacy or on internal industrial policies, No commented, a remark intended to show his ministry did not propose the idea out of conflicts with other ministries on who should be the chief negotiator.

"There is no serious problem with the present arrangement since the Foreign Ministry is in overall charge of negotiations with foreign countries," said No. "The real important factor is the actual management rather than restructuring. The more advanced a country is, the better information exchange and cooperation among government agencies."

He suggested that President-elect Kim Yong-sam's first summit may well be with Japanese Prime Minister Kiichi Miyazawa.

"If Miyazawa visits Seoul for the inaugural ceremony, a summit, however short, is possible," the vice foreign minister said.

There is no summit plan with the United States, but it is possible when Bill Clinton attends the G-7 summit in Tokyo next June, he said.

Government Names New Ambassadors to Zaire, EC

SK1101090793 Seoul YONHAP in English 0828 GMT 11 Jan 93

[Text] Seoul, Jan. 11 (YONHAP)—Ambassador-at-large Chang Man-sun was named ambassador to the European Community on Monday.

Chang replaces Kwon Tong-man, who returns to the Institute of Foreign Affairs and National Security (IFANS).

Ambassador-at-large Kim Chong-nok was named ambassador to Zaire.

Chang, 56, is a graduate of Seoul National University's law college. He has served as director-general of European affairs, ambassador to Bangladesh and first assistant foreign minister.

Kim, 55, is a graduate of the French department of Hanguk University of Foreign Studies. He has served as counsellor in Belgium, Morocco and France, researcher at IFANS and senior coordinator in the ministry's planning and management office.

DPRK Failing in Efforts to Attract Tourists

SK0801052093 Seoul YONHAP in English 0332 GMT 8 Jan 93

[Text] Seoul, Jan. 8 (YONHAP)—North Korea is failing in its efforts to attract tourists because it charges too much, crime is rampant, lodgings are scarce and surveillance is tight, the Korea National Tourism Corp. [KNTC] said Friday.

Despite strenuous efforts to attract 100,000 tourists last year, only 80,000 visited North Korea. Of that number, 70,000 were Koreans from China, Russia and Japan who went to North Korea for peddling.

Actual foreign tourists numbered a mere 10,000 at most, KNTC sources said.

North Korea is likely to attract even fewer tourists this year as it has stepped up control and surveillance of foreigners.

In addition, Koreans from China are flocking to South Korea since the normalization of ties between Seoul and Beijing, and Taiwanese prefer Seoul over Pyongyang.

To ease its worsening shortage of foreign reserves, North Korea undertook vigorous measures to attract foreign tourists in January 1992, when it signed an aviation pact with Japan allowing charter planes to fly between the two countries and widening the opportunities for Koreans in Japan to visit Pyongyang.

South Korea was visited by 3.24 million foreign tourists last year, according to a tentative tally, and the number is anticipated to increase to 3.5 million this year with revenue of 3.9 billion U.S. dollars.

Contacts between the two Koreas on realizing travel exchanges are unlikely to move forward this year due to the closed-door policy of North Korea and the resumption of the South Korea-U.S. military exercise "Team Spirit," which provides an excuse for Pyongyang to freeze all dialogue with Seoul.

China Signs Memorandum on Construction Projects

SK0801014293 Seoul YONHAP in English 0058 GMT 8 Jan 93

[Text] Beijing, Jan. 8 (OANA-YONHAP)—South Korea and China exchanged a memorandum of understanding

Friday for joint participation in construction projects and other forms of cooperation.

The memorandum was signed by visiting Korean Construction Minister So Yong-taek and his Chinese counterpart, Hou Jie. It calls for exchange of research and technology information related to construction, exchange of technical experts and arrangement of seminars and symposiums.

The two construction ministers discussed Seoul's participation in China's facility construction for the Winter Olympics and joint entry into third markets, officials said. Seoul and Beijing normalized relations on Aug. 24 last year.

PRC Envoy Discusses Team Spirit, IAEA, Other Issues

SK0801005193 Seoul THE KOREA HERALD in English 8 Jan 93 pp 1, 5

[By staff reporter Kim Hye-won]

[Text] Chinese Ambassador to Korea Zhang Tingyan has voiced opposition to South Korea's decision to resume Team Spirit, its joint military exercise with the United States, this year, saying that the decision would bring about an undesirable impact on the regional situation.

He also said it is "inappropriate" that the Japanese and U.S. governments have made the solution of the nuclear issue a precondition for improving ties with North Korea.

The envoy argued that improvement in ties between North Korea and Japan and between North Korea and the United States will positively contribute to reducing tensions in this region.

He said he believes the situation on the Korean Peninsula is certainly moving toward a relaxation of tensions, despite the current impasse in inter-Korean dialogue.

"What I don't understand is a recent agreement between South Korea and the United States on the resumption of a large-scale joint military exercise, Team Spirit this year. I think the decision will certainly bring about an undesirable impact on the relaxation of tensions and stability on the Korean peninsula," said the 58-year-old envoy in a New Year's interview with The Korea Herald.

Amb. Zhang also said he thinks Western media reports on North Korea's nuclear capability have been exaggerated. He said the result of the five rounds of inspections of North Korea by the International Atomic Energy Agency (IAEA) was satisfactory, in general, though it was true that "one shred of doubts" was raised in the course of the inspections.

"Yet, the one shred of doubts cannot lead one to the conclusion that North Korea can produce nuclear weapons and thereby impose a threat to the region," he argued.

Zhang called on Western countries to put more stress on the positive efforts and flexibility that the Pyongyang regime has adopted recently when developing North Korean policy.

The envoy, who spent most of his diplomatic career in North Korea, urged South Korea and other countries to help North Korea overcome current economic difficulties.

He hoped Seoul will not link the North Korean nuclear problem with the issue of economic cooperation with Pyongyang.

Amb. Zhang was assigned to Seoul in September, 1992 as the first Chinese ambassador to Korea. South Korea set up diplomatic relations with China Aug. 24 in the same year.

The ambassador saw good prospects for Seoul-Beijing relations this year. He said the two countries are complementary to each other.

Zhang expected the two to conclude an agreement on aviational cooperation when they meet for the third round of negotiations sometime this spring.

The envoy refused to elaborate on reported plans for a visit to Seoul by Chinese President Yang Shangkun this spring, only saying, "What I can tell you at this stage is I haven't received any information or instruction from home about this matter."

But he said that Chinese leaders will visit Korea this year to reciprocate the China visits by Korean leaders, including President No Tae-u last year.

Following are excerpts from the interview:

Question: Evaluate developments in Korea-Chinese relations during the last few months.

Answer: The visit by President No to China was a great success. The visit has opened up broad prospects for further development of relations between the two countries. There were also exchange visits between high-level government leaders of the two sides since the normalization in August.

I believe such exchanges are conducive to the development of friendly and cooperative relations. The two countries are complementary to each other, not only in terms of trade but also in terms of science and technology. Each side has its own advantages.

Bilateral trade has also increased sharply. Two-way trade between the two countries amounted to $5.8 billion during the first nine months of 1992. It was projected to reach $9 billion or closer to $10 billion at the end of the year.

Q: Seoul and Beijing have not concluded an aviational agreement despite the past two rounds of negotiations. What are the problems and when do you expect them to conclude it?

A: I think it will take some more time to settle the issue because of still unresolved problems. But given the common efforts of the two sides, I believe they can reach an agreement when they have the third round of negotiations sometime in the future. But I don't want to predict when.

The two sides are near an agreement on the issue of air traffic control point. Only a small part of issues has been left unresolved. They also differ on the number of airliners to serve each line. But this difference can be rather easily overcome.

The final agreement can be reached so long as both sides can make adjustment to their respective positions.

Q: There were press reports that Chinese President Yang Shangkun will visit South Korea next month. Is that true?

A: What I can tell you now at this stage is that I haven't received any information or instruction from home about this matter. Last year, your President No and Foreign Minister Yi visited China. This year, I think Chinese leaders will visit here. But it is difficult for me to say who will visit Seoul and when the visits will be made.

Q: Your government allowed only seven Korean news organizations to send correspondents to work in your capital. The measure has raised complaints from the other news organizations.

A: We have already approved the plan of seven Korean news organizations to send representatives to Beijing, in consideration of good relations between Korea and China. If other organizations also want to set up representation in China, they can file applications.

At the same time, I think there should be more or less balance between the two countries. Up to now, only one Chinese news organization has dispatched correspondents here.

I know some more Korean news organizations want to send correspondents, MBC in particular. I would certainly convey their hopes to the home government.

Q: Many Koreans had expected normalization of ties between South Korea and China to promote inter-Korean relations. But inter-Korean relations, in fact, have hit a slump since last summer. Why?

A: I personally am concerned about the situation on the Korean peninsula and am closely watching it. I think there has been a considerable improvement in inter-Korean relations in recent years. But unfortunately, inter-Korean dialogues are facing difficulties now. I personally feel sorry because the strains in the relations have appeared just after I came here.

When evaluating inter-Korean relations, we should put more stress on the positive efforts which have been made by North Korea to improve relations with South Korea in recent years. Considering these efforts, I believe progress will be made in inter-Korean relations if the two sides try to have dialogue with sincerity and patience.

What I don't understand is a recent agreement between South Korea and the United States on the resumption of a large-scale joint military exercise, Team Spirit, this year. I think the decision will certainly bring about an undesirable impact on the relaxation of tensions and stability on the Korean Peninsula.

I think when the situations are moving towards the direction of relaxation, both sides should treasure the past achievements and should make further efforts to promote the trend.

China has always supported relaxation of tensions on the Korean Peninsula and has worked to promote such a trend.

Q: The decision to resume the Team Spirit exercise is closely related to the North Korean nuclear issue. What is China's position on that matter?

A: China does not want either South or North Korea to possess nuclear arms. We, of course, oppose North Korea's having nuclear arms. It is clear.

There had been no exchanges between China and North Korea on nuclear matters. Therefore, China is not in a position to know if North Korea really possesses nuclear weapons or not.

But personally, I doubt the possibility of North Korea having or producing nuclear weapons. To develop nuclear weapons, one needs tremendous amount of money and a very high degree of technology. You know how bad the economic situation in North Korea has become.

I also think Western media reports on the North Korean nuclear capability are exaggerated.

The International Atomic Energy Agency (IAEA) has completed five rounds of inspections of North Korea. The result of those inspections are satisfactory, generally speaking. Although there was found one shred of doubts, yet that one shred of doubts cannot lead one to the conclusion that the North can produce nuclear weapons and thereby pose a threat to the region.

I believe it is not appropriate to make resolution of the North Korean nuclear issue a precondition for continuation of South-North dialogue and improvement of relations between North Korea and Japan and between North Korea and the United States.

We Chinese are always against the idea of isolating one country. We believe only through dialogue and consultations can we promote situations in a positive way. We only make things worse when we use pressures.

I think the establishment of diplomatic relations between China and South Korea was conducive to improvement not only in bilateral relations but also political situations in Asia at large.

Therefore, I hope that Japan and the United States normalize ties with North Korea through dialogues and negotiations. The new relations will certainly bring about great advantages to the regional stability. The nuclear question should not be a precondition.

It is not proper, either, for South Korea to link the economic cooperation with the North with the nuclear issue. It is not a good way of solving problems.

North Korea, as you know, is facing economic difficulties and is in need of help from South Korea and other countries. We need to help and cooperate with the country.

Leadership Contests Continue in Opposition Parties

SK0601095093 Seoul YONHAP in English 0756 GMT 6 Jan 93

[Text] Seoul, Jan. 6 (YONHAP)—Power struggles continued in the two opposition parties Wednesday, with the fight for control of the Democratic Party simmering just below the surface and that in the United People's Party [UPP] erupting into the open.

UPP Chairman Kim Tong-kil stormed out of a conference of chairmen and senior party officials after demanding that Chong Chu-yong resign as executive chairman of the party. Kim, a former professor and founding member of the party, told the meeting that he would resign as chairman unless Chong carried out his promise to give the party 200 billion won and retired from the party leadership. If his demands were not met, Kim said, he would not only resign as chairman but also leave the UPP and give up his seat in the National Assembly.

Chong, who was presiding over the meeting when Kim stormed out, quickly adjourned the meeting, followed Kim to his office and tried to persuade him not to resign as UPP chairman.

Following 15 minutes of private and apparently fruitless talk, Chong came out and urged the other chairmen and senior party officials to continue persuading Kim to remain in his post and in the party, sources said.

Kim, virtually No. 2 after Chong, had been highly dissatisfied with the way the unsuccessful presidential candidate ran party affairs dictatorially. There was also mounting discord between him and people who joined the UPP when Chong hastily arranged a merger with the New Korea Party in mid-December, the sources said.

Over at the Democratic Party, the Supreme Council met on Wednesday morning and decided to hold a national convention on March 11 to restructure the party's leadership. As a result, the party will form a national convention preparatory committee and a subcommittee for revision of the party charter by Jan. 13. They will work out a formula to elect the party's executive chairman and chairmen.

Choosing a method of electing party leaders is expected to pose difficult problems as followers of former co-leaders Kim Tae-chung and Yi Ki-taek are jockeying for the position left vacant by Kim's retirement, party insiders say.

In any event, the party plans to hold local chapter reorganization meetings in 227 districts and select some 5,600 deputies to the national convention.

Elsewhere, the New Korea Party convened a meeting of senior party officials chaired by executive chairman Yi Chong-chan, and decided to sue Chong Chu-yong for breaking a merger agreement between their party and the UPP. The New Korea Party will file the suit against Chong on Thursday, charging him with fraud and defamation.

In a statement, the New Korea Party said it was outraged by Chong's declaration Tuesday that he was scrapping the merger agreement, which it said was hastily arranged by Chong at the last stage of the presidential campaign to win his election.

The New Korea Party will employ all legal and political means at its disposal to help prevent the recurrence of such action by unscrupulous politicians to ridicule and deceive the people, the statement said.

At the National Assembly, floor leaders of the Democratic Party and the United People's Party met with Speaker Pak Chun-kyu to discuss the possibility of holding an extraordinary session this month.

Pak was reported to have suggested to the opposition floor leaders that they meet again Thursday with their Democratic Liberal Party counterpart, Kim Yong-tae, to further discuss the proposal.

An extraordinary session in January is unlikely, however, sources said, since the majority party hopes to hold it in February, around the time when Kim Yong-sam is inaugurated as the nation's 14th president on Feb. 25.

Kim Yong-sam Names Transition Team, Ponders Cabinet Choices

SK0401072093 Seoul YONHAP in English 0627 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—Kim Yong-sam launched his transition team Monday and declared that it had a historical mission to open an era of truly civilian government in Korea.

At a brief inaugural ceremony, the president-elect asked the 15-member transition committee to undertake preparations for his administration, which, he said, had a mandate to reform national policies amid stability.

"The purpose of reform my government will undertake is in the maximization of national interest," Kim said. "We will pursue our goal resolutely but we should not make our citizens anxious."

Kim urged the committee to carry out "quiet yet substantial" works for a smooth transition of governmental businesses and for his inauguration.

"There should not be any confusion or controversy," he said.

President No Tae-u, meanwhile, began the last 45 days of his administration Monday after receiving new year's greetings from Chong Hae-chang, chief of the presidential secretariat, and other Chongwadae [presidential offices] officials.

No was to invite Pak Chun-kyu, speaker of the National Assembly, Kim Tok-chu, chief justice of the Supreme Court, Hyon Sung-chong, Prime Minister, and leaders of major political parties including Kim Chong-pil of the Democratic Liberal Party, and Chong Chu-yong of the United People's Party, and other officials to Chongwadae Monday afternoon to exchange new year's greetings.

The transition committee, headed by former Prime Minister Chong Won-sik, will split into five subcommittees covering unification, foreign affairs, and national security: Political affairs: Economy one: Economy two: And social and cultural affairs. The subcommittees will hold a morning and afternoon conference every day from Tuesday and receive reports from most governmental agencies, including the presidential office. In addition, the subcommittees will discuss ways to carry out the party platform and the public promises Kim made during his campaign.

The committee will recommend candidates for the prime minister and chief of the presidential secretariat by early February. It will then submit a list of names to Kim Yong-sam for the appointments of cabinet ministers, the director of the Agency for National security planning and other top governmental posts.

In the meantime, it was reported Monday that Kim was contemplating choosing his prime minister from among those who could represent "the civilian nature" of his government while selecting deputy prime ministers and other cabinet members from politicians. Kim was also considering naming a civilian as the director of the Agency for National security planning.

Trying to keep abreast of the transition committee's work, the Democratic Liberal Party [DLP] plans to call an extraordinary session of the National Assembly Feb. 25, inauguration day, in order to approve the appointment of a new prime minister.

Earlier, Kim said his administration plans to work closely with the DLP so that it could meet the challenge of reforming the national policies amid political and social stability.

The DLP has already decided to regularize a meeting of three top officials—the secretary-general, floor leader and chief policymaker—chaired by Kim Chong-pil, DLP executive chairman, according to Pak Hui-tae, the party spokesman.

Elsewhere, the main opposition Democratic Party, led by Yi Ki-taek, held a meeting of 200 senior officials Monday to begin this year's business. Earlier, Yi conferred with top officials of his party and decided to decline an invitation from President No to meet him at Chongwadae for the new year's greetings.

The United People's Party also held a beginning of the new year ceremony at its headquarters Monday morning. But unlike the Jan. 1 meeting, it attracted public attention because of the conspicuous absence of many senior party members. Among those who did not show up at the meeting, presided over by Chong Chu-yong, were Reps. Yang Sun-sik, Pak Chol-on, Yu Su-ho, Han Yong-su and Yi Cha-hon. No reason was given for their absence, sources said, but it was believed they were dissatisfied with naming of Rep. Kim Tong-kil as senior chief executive chairman.

Five Subcommittees

SK0401123293 Seoul YONHAP in English 1136 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—President-elect Kim Yong-sam's transition committee formed five subcommittees at its first plenary session Monday.

The session also adopted eight-article operating regulations related to preparation for presidential inauguration.

The subcommittees will start receiving reports from government offices next week and will regularly have contacts with the incumbent administration's turnover team headed by chief Chongwadae Secretary Chong Hae-chang to discuss transition programs.

A source at the transition team said the committee will lay groundwork for the creation of a new administration's policy framework based on an analysis of the organization, function and key policies of the incumbent administration.

Regarding the issue of selecting key officials of a new administration, the source said that unless specifically asked by President-elect Kim, the transition committee would not recommend any people to the president-elect.

In the distribution of 15 committee members to the subpanels, Chairman Chong Won-sik and committee members Pak Kwan-yong and Yi Hwan-yi were assigned to the unification, foreign affairs and national security subcommittee covering the National Unification Board, Foreign Ministry, Defense Ministry and the Agency for National Security Planning.

Yi Hae-ku, Choe Pyong-yol and Choe Chang-yun were put to the political affairs subcommittee on Chongwadae, the office of prime minister, home, justice, government administration and information ministries, offices of the first and second ministers of state, office of legislation and the Board of Audit and Inspection.

Those assigned to the first economy subcommittee were Yu Kyong-hyon, Yi Min-sop and Chang Yong-chol. The subpanel covers the Economic Planning Board and the Finance, Trade-Industry and Energy- Resources Ministries.

So Chong-hwa, Sin Kyong-sik and Yang Chang-sik were assigned to the second economy subcommittee on the Agriculture-Forestry-Fisheries, Construction, Labor Affairs, Transportation, Communications and Science-Technology Ministries.

Those who took charge of the social and cultural subcommittee were Kim Han-kyu, Nam Chae-hui and Yi Chae-hwan. The subcommittee covers the Education, Culture, Sports-Youth, Health-Social Affairs and Environment Ministries and the Patriots and Veterans Affairs Agency.

New Korea Party Officials Admit Receiving Money From UPP

SK0801090193 Seoul YONHAP in English 0706 GMT 8 Jan 93

[Text] Seoul, Jan. 8 (YONHAP)—Officials of the New Korea Party admitted Friday that they received money from the United People's Party [UPP] as campaign funds.

The admission by aides of party leader Yi Chong-chan added a new twist to the widening scandal that erupted when UPP leader Chong Chu-yong said that he gave 5 billion won to Yi when they agreed to merge their parties Dec. 14.

Yi flatly denied that he had received any money—even a penny—from Chong and threatened to sue the tycoon unless he retracted his statement. If the money was given on condition that Yi withdraw his candidacy, both Chong and Yi would face legal action for violating the presidential election law.

The New Korea Party officials, who refused to be identified by name, said that they understood that their party had received money from the UPP between Dec. 14, the day of their merger, and Dec. 18, election day. It was not clear, however, if this money was part of the 5 billion won Chong said he gave to Yi to help settle the New Korea Party's debts.

Following their merger, Yi withdrew his presidential candidacy and registered as a campaign worker for Chong. The New Korea Party officials said that some of their campaign workers were paid with UPP money.

Chong and senior UPP officials, meanwhile, stonewalled all queries about the money. "There's nothing to add to what has already been said by Chong," they said.

YONHAP Questions Kim Tae-chung's Retirement From Politics

SK0801091893 Seoul YONHAP in English 0612 GMT 8 Jan 93

[Text] Seoul, Jan. 8 (YONHAP)—Kim Tae-chung says he has retired from politics. But has he?

The question arises as the former leader of the Democratic Party [DP] has been making remarks at a series of farewell meetings that are not "unrelated" to post-election development, according to some observers.

In a way, it is natural for Kim to make political observations and remarks. After all, he was in politics for more than 40 years. Besides, he has a lot to offer for the political development of his country.

In his Dec. 19 speech conceding defeat in the presidential election, Kim announced his retirement, saying that although there was lingering regret, he had decided to quit politics.

"It is important for a man to know when to retire," he declared, earning enthusiastic applause from across the country for his statesman like action.

But an increasing number of politicians and pundits are casting a skeptical glance at him these days as the 66-year-old Kim is giving the impression that he is making remarks and acting not as a retired elder but as "an active politician" trying, perhaps unwittingly, to influence current affairs.

At a luncheon meeting with DP lawmakers, heads of party local chapters, and senior officials on Wednesday, Kim said they were besieged by regionalism, charges of being soft on communism, the people's preference for the status quo and the bias of the nation's press.

"If I were you, I would try to find a breakthrough," he said, offering chances for critics and others to wonder whether he was not instigating them to action.

"Let us bet who can contribute more to the country and the people," Kim told them, "you in politics or I outside of it."

Remarks such as these could be taken as advice, aimed at propping up the Democratic Party, whose air became stagnant following the defeat in the presidential election.

But some DP members who attended the luncheon interpreted them as "a declaration of struggle" from outside the party. Others said they felt "a renewed confidence" since he was there in the background, providing them with valuable advice.

Some outside observers believe his remarks underscore his lingering regret over his retirement. They also speculate that political development in the immediate future would not "leave him alone," and that Kim knows it.

"Kim Tae-chung may be lying low for now but he can always make a comeback when the time is ripe," one political analyst said, requesting anonymity.

Moreover, President-elect Kim Yong-sam, a fellow opposition leader for decades and a rival, may find it expedient to solicit his cooperation down the line.

Kim Yong-sam and Kim Tae-chung are expected to get together around Jan. 20, and although Kim Tae-chung agreed to the meeting on condition that they not discuss politics, Kim Yong-sam could express his wish to "reflect" Kim Tae-chung's political expertise and experience in national policies, sources say.

Kim Tae-chung, who plans to reside in England as a fellow at Cambridge University for the next six months, is also expected to to attend the Democratic Party's national convention in March.

These two upcoming events alone could be a proof enough that "old politicians never retire, nor do they fade away," the analyst said.

Candidates Spend 76 Billion Won on Campaign

SK0801124193 Seoul YONHAP in English 1202 GMT 8 Jan 93

[Text] Seoul, Jan. 8 (YONHAP)—Campaign spendings by the eight candidates who ran in the Dec. 18 presidential election and their parties during the election period totaled 76.4 billion won based on their reports.

The Central Election Management Committee said Friday that the reports received indicated that candidate Kim Yong-sam spent the largest, 28.5 billion won, followed by Chong Chu-yong of the United People's Party with 22 billion won and Kim Tae-chung of the Democratic Party with 20.7 billion won.

Yi Chong-chan of the New Korea Party who dropped out halfway used 3.4 billion won and Pak Chan-chong 900 million won. Independent runner Kim Ok-son used the smallest among the eight, 147 million won.

The maximum ceiling of campaign spending for each candidate, as posted by the election committee, was 36.7 billion won.

With the sole exception of Chong Chu-yong, seven candidates spent the largest portion of their campaign funds in publicity such as television fees, newspaper ads, placards and publicity booklets.

Chong Chu-yong spent more in paying remuneration to campaigners than in publicity programs.

The election committee intends to delve into the account books of the candidates' campaign offices to determine the authenticity of the reports on their spendings.

Assembly Group To Attend U.S. Inauguration

SK0401055793 Seoul YONHAP in English 0436 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—The National Assembly decided Monday to send a 10-member mission to attend the inauguration of U.S. President-elect Bill Clinton.

The team will be headed by Rep. Chong Chae-mun, chairman of the National Assembly Foreign Affairs and National Unification Committee.

Besides attending the inauguration, they are to hold a series of workshops on Korean unification in the United States, Canada and Mexico Jan. 18-30.

The opposition Democratic Party will dispatch a three-member team to the inaugural ceremony around Jan. 18.

The delegation, led by Supreme Council member Cho Se-hyong, will return home around Jan. 25 after having contacts with U.S. parliamentary leaders.

Bank of Korea Head Drops Charges Against Chong Chu-yong

SK0801123993 Seoul YONHAP in English 1020 GMT 8 Jan 93

[Text] Seoul, Jan. 8 (YONHAP)—Bank of Korea Governor Cho Sun Friday dropped libel charges against Chong Chu-yong, head of the United People's Party [UPP], as Chong had formally offered an apology over his election-period assertion about an "illegal money supply by the central bank to Kim Yong-sam's camp."

A couple of days before the Dec. 18 presidential election, Chong Chu-yong asserted that the Bank of Korea printed 300 billion won for exclusive delivery to the Kim Yong-sam camp on twice for use as a campaign fund.

Cho Sun promptly denied the charges and when Chong did not retract his assertion, he sued Chong on libel charges on Dec. 17.

A spokesman for the central bank said the bank governor dropped the suit because Chong sent a hand-written letter of apology to Cho Sun on Dec. 31 and the UPP spokesman offered an open apology in a recent statement.

Government To Offer Online Access to DPRK Economic Data

SK0801080293 Seoul YONHAP in English 0619 GMT 8 Jan 93

[Text] Seoul, Jan. 8 (YONHAP)—The South Korean Government is computerizing information on North

Korea in preparation for economic exchanges between the two halves of the peninsula, a government source said Friday.

The computerization will provide South Korean companies with up-to-date information on North Korea that they could not find before because North Korea does not release its economic data, said the source, who asked not to be named. When it is completed, the database will be opened to the public.

"The government developed software last year to computerize North Korean information," the source said. The government is feeding information from 1991 on trade, companies, production and life in North Korea into the computer database.

"However, there are many difficulties in finding out about economic life in North Korea as the communist country doesn't make its data public," the source said. The government will push ahead with the project, however, gleaning data from North Korean newspapers, broadcasts and other sources.

Former Communist Nations Drawing Overseas Investment

SK0701012293 Seoul YONHAP in English 0048 GMT 7 Jan 93

[Text] Seoul, Jan. 7 (YONHAP)—The "northern region," or former and current communist countries, was the top target for overseas investment by South Korean companies last year, the Export-Import Bank of Korea (Exim Bank) said Thursday.

Of the 1,053 consultations on overseas investment sought by Korean companies, 557, or 52.9 percent, were interested in the northern region, followed by Asia with 277 (26.3 percent). In the third place came Latin America with 75 (7.1 percent), trailed by North America with 45 (4.3 percent), Europe with 20 (1.9 percent), and other regions with 79 (7.5 percent). The northern region, which includes China, Vietnam, the Commonwealth of Independent States (CIS), Cambodia, Mongolia, Poland and Hungary, came second after Asia in 1991, Exim bank officials said.

The increasing interest in these countries owes to their steady consideration for foreign investors with the shift to a market economy and Seoul's establishment of diplomatic ties with China and Vietnam on Aug. 24 and Dec. 22, respectively, which cleared away many doubts Korean companies had about them, the officials said.

By country, China topped the list with 385 consultations (36.6 percent), followed by Vietnam with 123 (11.7 percent), Indonesia with 78 (7.4 percent), the Philippines with 44 (4.2 percent) and the United States with 42 (3.9 percent).

KIEP Sees Barriers To Reducing Japan Trade Deficit

SK0601054093 Seoul THE KOREA TIMES in English 6 Jan 93 p 9

[Text] Korea's attempt to reduce its trade deficit with Japan is expected to make little headway this year largely due to Japan's protracted economic recession and other structural factors, according to a report released by the Korea Institute for International Economic Policy (KIEP) yesterday.

The report said Japan's economic recession, which began in late 1991, will likely continue until the end of this year, casting a dark cloud over the possible rebound of Korean exports to Japan.

The fact that Korea's industrial structure envisages relying heavily on Japan for imports of capital goods and machinery makes improvement in the trade deficit with Japan all but impossible, it said.

Korean goods have also been kicked out of Japan by those of developing countries including China due to the weakening of price and non-price competitiveness.

After short-lived improvements during 1986-88, the trade deficit with Japan has swelled since then, reaching about 8.7 billion dollars in 1991. Although the deficit with Japan narrowed by a substantial margin last year, it was largely because Korea witnessed a drop in both exports and imports with Japan.

The report said Korea is also losing opportunities to obtain technology transfers from Japan in accordance with a sharp drop in its direct investment here.

Japan's investment in Korea has been on a sharp decline since 1990. Its investment stood at about 132 million dollars in 58 projects during the first 9 months of last year, down 40.2 percent in the number of projects and 30.2 percent in investment value from the same period of 1991.

Building Firms: Fewer Foreign Orders in 1992

SK0501021093 Seoul YONHAP in English 0017 GMT 5 Jan 93

[Text] Seoul, Jan. 5 (YONHAP)—South Korean construction companies received foreign orders worth 2.78 billion U.S. dollars in 1992, down 8.4 percent from 1991, the Construction Ministry said Tuesday.

By region, Asia led the list with 52 contracts worth 2.17 billion dollars, followed by the Middle East, 12 worth 568 million dollars, America and the Pacific region, six worth 58 million dollars, Africa, three worth 39 million dollars, and Europe, one worth 1 million dollars, the ministry said.

Ministry officials attributed the drop in 1992 to declines in construction orders by Iraq and Libya because of the United Nations sanctions. Other Middle East countries like Saudi Arabia and Kuwait have also reduced the number of their construction projects because of financial difficulties, the officials said.

South Korean builders were also unable to participate in construction projects in Taiwan's six-year economic plan because of severance of diplomatic relations between Seoul and Taipei last year, they said.

Singapore topped the countries placing orders with Korean construction companies last year with 969 million dollars. It was followed by Malaysia, 668 million dollars, Saudi Arabia, 300 million dollars, Thailand, 191 million dollars, Pakistan, 99 million dollars, and Libya, 91 million dollars.

By companies, Hyundai Engineering and Construction Co., won orders worth 1.13 billion dollars.

Others included Daewoo Engineering Co., 347 million dollars, Ssanyong Construction Co., 302 million dollars, Samsung Construction Co., 236 million dollars, Lucky Development Co., 179 million dollars, and Daelim Industry Co., 100 million dollars.

Vehicle Production Up '16.5 Percent' Over 1992

SK0401080493 Seoul YONHAP in English 0702 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—South Korean automakers will turn out 2.02 million vehicles this year, up 16.5 percent over a year earlier, and domestic sales will rise 18.2 percent to 1.48 million vehicles, the Trade and Industry Ministry said Monday.

Exports will amount to 520,000 vehicles this year, up 18.2 percent, according to a ministry report on 1993 supply-demand prospects in the automobile industry.

Assembly lines will roll out 1.52 million cars and 495,000 commercial vehicles, or 16.9 percent and 15.4 percent more, respectively, than last year.

Home sales of cars will increase 17.3 percent to 1.03 million, and sales of trucks and buses will rise 14.9 percent to 448,000, the ministry forecast.

Exports of cars and trucks are expected to go up 15.7 percent and 44.8 percent to 478,000 and 42,000, respectively.

Domestic sales will rise due to the increasing popularity of cars and prospects for auto exports are also rosy in the wake of the industry's efforts to diversify its export markets and the business recovery in the advanced countries, the ministry said.

Korean automakers plan to introduce new models this year, which will also boost production and sales, the ministry said.

Foreign Money Buys $2.07 Billion in Stocks

SK0401071993 Seoul YONHAP in English 0544 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—The net inflow of foreign money for the purchase of Korean stocks in 1992 was 2.07 billion U.S. dollars, the Bank of Korea (BOK) said Monday.

The Central Bank said 2.73 billion dollars entered Korea for stock investment and 660 million dollars was repatriated for a net inflow of 2.07 billion dollars in 1992, the first year of market opening.

BOK had projected net inflow of about 2 billion dollars. The forecast for 1993 is 2.5 billion dollars.

November had the biggest net inflow of 440 million dollars, followed by January's 390 million dollars, December's 350 million dollars and October's 310 million dollars.

There was no inflow of foreign money in July, when the Korean bourse was bogged down.

The net inflow last year represented 2 percent of the value of all listed stocks, which is 82 trillion won, and a BOK spokesman said alien capital would play a considerable role in buoying up the market this year.

Foreign ownership of an issue is limited to 10 percent, with an individual cap of 3 percent. The total limit is 8 percent for the Korea Electric Power Corp. and Pohang Iron and Steel Co.

Assembly Group To Attend U.S. Inauguration

SK0401055793 Seoul YONHAP in English 0436 GMT 4 Jan 93

[Text] Seoul, Jan. 4 (YONHAP)—The National Assembly decided Monday to send a 10-member mission to attend the inauguration of U.S. President-elect Bill Clinton.

The team will be headed by Rep. Chong Chae-mun, chairman of the National Assembly Foreign Affairs and National Unification Committee.

Besides attending the inauguration, they are to hold a series of workshops on Korean unification in the United States, Canada and Mexico Jan. 18-30.

The opposition Democratic Party will dispatch a three-member team to the inaugural ceremony around Jan. 18.

The delegation, led by Supreme Council member Cho Se-hyong, will return home around Jan. 25 after having contacts with U.S. parliamentary leaders.

Daewoo Subsidiaries Said To Become Independent

SK0401045393 Seoul YONHAP in English 0243 GMT 4 Jan 93

[Text] Islamabad, Jan. 4. (YONHAP)—The Daewoo Group, one of South Korea's largest conglomerates, will give its healthy subsidiaries full managerial independence this year, Group Chairman Kim U-chung said Sunday.

Major subsidiaries with the ability to survive alone would be completely detached from group control, and eventually the group would be dissolved, he said.

Daewoo Heavy Industries Co. and Daewoo Shipbuilding and Heavy Machinery Ltd. would be merged before being set free, he said. Kim was in the capital of Pakistan on a global tour.

Kim said he would visit North Korea again in the first half of the year, as soon as the new government in Seoul decided its position on inter-Korean economic cooperation.

The Daewoo Group would step up its efforts to advance into overseas markets centering on the automobile sector, and would send as many ranking officials as possible to the developing nations to explore their market potential, Kim said.

The Korean tycoon called for a change in his government's financial policy, saying that the present level of interest rates imposed an unbearable burden on corporate activities.

He had a rosy view on the future of inter-Korean economic ties, saying the replacement of the prime minister last month signaled that North Korea would strengthen its cooperation with South Korea.

Burma

National Convention Opens 9 Jan

BK0901083693 Rangoon Radio Burma in English 0705 GMT 9 Jan 93

[Text] The National Convention commenced in the central meeting hall of the President's House at 1035 am today, in accordance with the essence of the six objectives—nondisintegration of the union, nondisintegration of national solidarity, perpetuation of the sovereignty for the development of true democracy, justice, freedom and equality. [as heard]

It was attended by Minister of Religious Affairs Major General Myo Nyunt, the chairman of the Convening Commission for the National Convention [CCNC] and the commander of the Yangon [Rangoon] Command Headquarters; vice chairman of the commission; members of the commission; Chief Justice U Aung Toe, the chairman of the Work Committee; vice chairman and members; Inspector General of the Defense Services Brigadier General Tin Aye, the chairman of the Management Committee; vice chairman and members; chairmen and members of the respective subcommittees; representatives of political parties; elected representatives; representatives of the nationals; representatives of peasantry; representatives of workers; representatives of intelligentsia and technocrats; representatives of service personnel; invited representatives; diplomats in Myanmar [Burma]; honorary consulars; representatives of UN organizations; local and foreign journalists among others.

All together 699 representatives attended the National Convention out of 702 representatives seeking to attend it. First, the Master of Ceremonies Director of Directorate of Public Relation and Psychological Warfare Brig. Gen. Aung Thein read out the program of the National Convention. The Commander and the Chairman of the CCNC Maj. Gen. Myo Nyunt, minister of religious affairs, after signing the book of record, delivered an inaugural address. After the inaugural address, the meeting recessed after which the National Convention continues for today.

Myo Nyunt Speaks

BK0901104293 Rangoon Radio Burma in Burmese 0630 GMT 9 Jan 93

['Full text' of speech by Major General Myo Nyunt, chairman of the National Convention Convening Commission, minister of religious affairs, and Rangoon commander, at the opening session of the National Convention on 9 January at Rangoon's Presidential House Compound—read by announcer]

[Text] Dear convention delegates and guests: I extend my greetings for the mental and physical well-being of the National Convention delegates and express my hope that you will be able to work jointly for the successful and smooth holding of the National Convention, which opens today, from the beginning to the end.

The National Convention, which opens today, is full of significant attributes as its objectives are for the perpetuation of the future state and the peace, development, and prosperity of the national people. The principles and policies, which are in accord with these objectives, are to be coordinated and targetted at this convention. The state constitution is to be drawn up based on the essence of the principles obtained from this convention. Therefore, in accordance with the maxim, a good beginning ensures a good ending, the success of this convention is very important. The key to the success of the National Convention lies with the delegates, including us.

This National Convention will certainly be successful if all of us treat each other and each organization with respect and patience and with benevolence and consideration and help each other. However, if we treat each other with narrowmindedness, intolerence, personal and organizational bias, prejudice, and suspicion, the National Convention will not be successful.

The people in the entire country are expecting the National Convention to be successful. The people are awaiting news of the smooth operation, understanding, sympathy, consideration, and cooperation at the National Convention. Our National Convention Convening Commission is convinced that the main objective of the National Convention is to serve the interests of the state and the citizens to the best of our ability. We hope every delegate also holds the same conviction.

As the delegates are well aware, our Myanmar [Burma] is at a crossroads of two paths. One path shows a weak and shaky union heading toward disintegration of the Union, disintegration of national solidarity, infringement of national independence and sovereignty and eventual loss of independence. Another path shows an emergence in the world of a strong Union composed of united national people and a Union where the indigenous people live in harmony with fraternal spirit, defend the motherland, strive for development and prosperity, and enjoy equal distribution of the resources of the motherland. This path would eventually lead to a Myanmar society where lawkapala [eternal] principles of justice thrive.

Therefore, as we stand at a crossroads today, it is very important for us to follow the correct path and and not to follow the wrong path. According to a Myanmar maxim, one needs to be thorough in undertaking marriage, pagoda construction, and tatoos as these cannot be undone once they are made. Likewise, the drafting of a state constitution is a delicate matter for the country, which comprises the entire society. It may be easy to correct the mistake of an individual, but if the constitution is defective, the entire nation and country can suffer greatly.

Our country's stability deteriorated and national unity became weak due to defects of the 1947 State Constitution and when the people no longer accepted the 1974

State Constitution under changing circumstances. Our current cardinal national task is to draft a firm state constitution.

Although this convention will not draft the state constitution, the constitution is to be drafted based on the basic principles coordinated and laid down by this convention. Therefore, this convention constitutes the first step in preparing for the drafting of the state constitution. Hence, I am stressing that a good beginning ensures a good ending.

Convention delegates: The main duty of the National Convention, which opens today, is to coordinate and discuss the drafting of a firm constitution in accordance with the six objectives prescribed in Order No. 13/92 of the State Law and Order Restoration Council [SLORC]. The six objectives are the nondisintegration of the Union; the nondisintegration of national solidarity; the perpetuation of sovereignty; the emergence of a genuine multiparty democratic system; the development of lawkapala principles of justice, freedom, and equality; and the participation of the Defense Services in the leading role in national politics in the future.

As the delegates are aware, our country's situation is very delicate. If we look at the international situation, we can sadly see how some federal states are disintegrating and there is antagonism among their own people and there is much suffering. As these lessons are clearly evident in front of our eyes, it will be necessary for us to seriously consider and coordinate on how we should prevent disintegration of our Union.

In order to preserve our national solidarity, our national people should have genuine love, goodwill, and mutual respect toward each other and strive to ensure there is equality among national races, election of genuine delegates from national races in their local areas, and lawkapala principles of justice, freedom, and equality. We should all give priority to the perpetuation of the Union and give a pledge to live together forever. All national people should nuture patriotism and nationalism in order to perpetuate state sovereignty and repulse internal and external dangers and collectively safeguard the state from all dangers that may fall.

I should like to explain the objective concerning the development of a genuine multiparty democratic system contained in the Order No. 13/92 of the SLORC, that is, a democratic system which is suitable to Myanmar society. The basic requirement in practising democratic rights is the observance of law and order. Therefore, in developing democracy, it will be necessary to ensure that democracy is in accordance with our traditional culture, thoughts, and disposition. We should prescribe so that citizens worthy of democratic rights are required to observe regulations, to discharge respective duties, to cherish the truth, and to uphold honesty. It probably will be necessary to ensure democratic rights go hand in hand with responsibilities.

Basic principles and provisions of the constitution should contain lawkapala principles of justice, freedom, and equality. We should consider and coordinate so that basic principles are enshrined in provisions of the state constitution for implementing the lawkapala principles of justice, freedom, and equality. We should consider and coordinate in order to obtain a constitution which allows a state structure, state legislature, administrative system, and judicial system which are in accordance with the lawkapala principles.

Furthermore, as prescribed in Article 4 Section B-6 of the SLORC Order No. 13/92, the delegates are to seriously consider the leading role of the Defense Services in their future deliberations over the country's national politics. As known to all, the Defense Services waged the anti-imperialist struggle and the antifascist resistance movement for the country's independence.

Similarly, during the delicate situation in 1949, the Defense Services loyally and dutifully fought and crushed the assorted terrorist insurgents. During this time, which was ridiculed as the time of the Yangon [Rangoon] government, the Defense Services, hand in hand with the people, sacrificed thousands of lives and saved the country from danger of disintegration, loss of independence, and from the brink. In other words, the Defense Services were able to save the Union from disintegration during 1949.

Ten years later in 1958, there was another danger to national solidarity because of splits among political parties, who pitched their pocket armies against the Defense Services. There were battles in both urban and rural areas and the Defense Services saved the country from the flames of war in time. In other words, the Defense Services saved the country in time from disintegration of the Union and loss of sovereignty in 1958.

The Defense Services again in 1962 saved the country in time from looming disintegration of the Union and a crack in national unity arising from dissatisfaction and suspicion among national people. In other words, the Defense Services were able to deviate the country from the path of disintegration of the Union.

The public, who did not want the one-party system, demonstrated in 1988 and there was much fear throughout the country because of some opportunists. When the situation deteriorated further, the Defense Services had to assume state powers in order to prevent the disintegration of the Union and loss of sovereignty. Therefore, in the course of our country's history, the Defense Services have safeguarded the country and the people from danger. Therefore, it will be necessary to work hand in hand with the Defense Services, which have such prominent historical tradition, for smooth development and prosperity in the future.

International situation as well as internal political, economic, social, and military conditions are changing every minute and second. Therefore, it is necessary to give deserving responsibilities to the Defense Services so as to enable them to participate in a leading role in national politics and to defend the country in accordance with these changing conditions. To put it frankly, as Myanmar now faces internal and external threats and dangers, it is dangerous and difficult to control the country's situation and to ensure stability and peace in the country without the participation of the Defense Services. Therefore, it is necessary to have a clear view and to understand the goodwill of the Defense Servces' wish to play a deserving role in the national politics of the country and to recognize the unselfish and pure goodwill of the Defense Services toward the country and the people.

While I have the opportunity, I would like to summarize the noble desire of the Defense Services. Never in their history have the Defense Services coveted and wanted to hold on to political power. This point is proven in its long history from the time of the founding of the BIA [Burma Independence Army] on 26 December 1941 till today. The Defense Services fully respect the essence of genuine democracy desired by the people and only desire effective and beneficial implementation of democratic system. The Defense Services are a national force, which have consistently upheld national interests and protected the lives, homes, and property of the people.

A majority of the people understands that the multiparty parliamentary democratic system does not guarantee the complete solution of the major problems concerning the country's national solidarity, economic, administrative, and social affairs. As for the Defense Services, it has always been at the forefront in tackling and solving the problems in times of national emergency. The Defense Services has had many experiences in dealing with national emergencies. Therefore, if the experience of the Defense Services can be put to use in various sectors of the future state, the implementation of a genuine democratic system will be more effective.

The majority of the people believe that in both the past and at present, the Defense Services remains the only force capable of controlling the situation in the country in times of national emergency. Therefore, it is very important for the the Defense Services to play a role in the future to protect the interests of the people. Only then can dangers that may befall the state be prevented and the future of the people be secured.

In reviewing the past experience of the people in the states, had there been no sacrifice of lives and blood from the Defense Services in these regions, their destiny can only be imagined. The delegates can recall how these regions almost fell into the hands of the insurgents many times in the 1960's, seventies, and eighties. The battles in Kunlong, the 40-day Battle, Hsisiwan, Tapan, Mong Yang, Mae Thawe, and in the Kachin State were just few examples. Therefore, the prevailing peace in the states today are the result of the enormous goodwill and sacrifice of the Defense Services.

The Defense Services are a foremost organization, which defended the country to prevent the people from suffering during all national emergencies. It is an institution which is very experienced in Myanmar affairs. It is an organization upon which the people can depend in the march on a new path toward establishing the new Myanmar. The Defense Services, which have done their utmost in defending the three cardinal causes [nondisintegration of the Union, nondisintegration of national solidarity, and perpetuation of national sovereignty] and the interests of the people, are a national force which represents the wishes of the people and which will help establish a genuine democratic system. Therefore, a leading role in national politics deserving of the Defense Services should be included in the basic principles for the new state constitution in order to further enhance its tradition of national politics of the Defense Services on which the people depend.

I would like to elaborate further on the relationship between the Defense Services and politics and military and politics. Delegates are probably aware that the military is a vital point in politics. Military and political affairs are interrelated. In human society, social problems are solved through political means. It can be seen, however, that a political solution is not always successful as can be seen in the course of world history.

Although the period between the end of World War II in 1946 and 1990 is known as the cold war period, a total of 125 wars broke out in Third World countries, killing 22 million people. According to a paper submitted at the North-South Meeting held in Costa Rica, it was learned that over $2 billion worth of weapons was used in these regions. During the 20th century, farsighted leaders in many countries had drawn valuable lessons from these two world wars and numerous limited and regional wars. We should try to solve problems in Myanmar through political and peaceful means as much as possible. However, there are instances in our country's history when the issues could not be solved despite the desire to solve them peacefully.

From the historical lessons learned from the First Anglo-Myanmar War of 1824, the Second Anglo-Myanmar War of 1852, the Third Anglo-Myanmar War of 1885, and the infringement of our sovereignty by the White Chinese [Kuomintang] during 1953 with the support from an major foreign power, we had to defend ourselves according to our right of self-defense. The present policy and actions of the internal and external destructive elements and terrorist insurgents show that although SLORC—the Defense Services—magnanimously created conditions and a cease-fire for them with the hope of obtaining national solidarity and to enable them to participate in the National Convention, these elements took advantage of our constructive stance and responded by attacking our camps in Htikumee and Kuaypolong. Therefore, we had to take necessary measures against these terrorists, who never have a constructive stance, and consider the interests of the Union, the country, and the people. As these elements are our own national people, however, we will always welcome them with open arms and hope for their participation in the convention.

In the future, if timely measures are taken against elements undermining the state from inside and outside the country, these elements will come to realise the need to consult and to cooperate with the Defense Services, which are taking a leading role in national politics. Not only are our Defense Services not a mercenary army, they are patriotic forces which have engaged in national politics in the forms of the anti-imperialist struggle and the antifascist resistance movement. In the present era, the Defense Services have performed the task of preserving national independence, during which thousands of lives were sacrificed.

The Defense Services were first formed with respected veteran politicians. The Defense Services is an institution which developed as national politics developed. As such, it is an institution which is rich in experience in national affairs. Esteemed delegates, it is learned that many people have constructively welcomed the point relating to the Defense Services involvement in the leading role of future national politics. According to the law of nature, however, there may well be some who do not agree on this matter. In order to make these people understand, I would like to give a brief explanation on party politics and national politics.

In our view, party politics is to present the party's policies and ideology to the people, convince the people of these, and try to get the utmost support from the people. It is a natural thing for the parties to deal with party politics. National politics is to prevent the calamities that may befall the country and the people; to fight against and remove the calamities if they are afflicting the country and the people; to plan and implement projects that will benefit the people and the country, especially, to carry out the duties to achieve a stage in which the independence of the nation and the perpetution of sovereignty are well protected; and to safeguard the existing unity among the national races.

Everybody should have known that these are not only the concerns of a political party and that one party alone cannot accomplish all of these things. It is the best and most beneficial method for the country and the people to work hand in hand with the representatives of the Defense Services, which is traditionally a united and effective institution and which has a noble tradition in history, in deliberating policies and laws, and in implementing good policies. This is national politics.

It is like saying "an individual cannot perform, but a group can perform." I have explained this point quite frankly in order to to provide a clear view on this matter.

While the situation permits at this National Convention, I would like to say that it is the time to decide to view the Defense Servives, great forces that will sacrifice their lives for the country and for the people if they are threatened, and take them as a noble partner who is loving, courageous, and dutiful. Therefore, we must always keep the six objectives, which were stated earlier, in mind as we hold discussions and reflection of these objectives is needed. These six objectives are truths, which cannot be denied by anyone. They remain true principles now and forever. Therefore, the national races and the people from all walks of life who reside in Myanmar are to implement these six objectives.

As all the delegates know, our national convention is purely a national matter of Myanmar. Therefore, no foreign interference and influence will be tolerated.

Esteemed delegates: It was learned that before the convention, some persons and organizations were concerned whether there will be enough time to present and to discuss all the matters in detail. Our National Convention Convening Commission attaches great importance to this National Convention and is holding the convention with great expections. Therefore, arrangements have been made for the delegates to thoroughly discuss the matters they wish to discuss and measures have been taken to carry out the discussions patiently, respectfully, and systematically.

Arrangements have been made for the delegates to discuss the topic according to the date, separate places have been set for each category of delegate to hold discussions based on these topics, to write reports in order to discuss and suggest systematically, and to present these papers at the meeting attended by all categories of delegates. The Work Committee for Convening the National Convention and public service personnel on duty will assist the delegates to conveniently carry out their work. Manuals on procedures at the convention have also been distributed to enable the delegates to work systematically. Convention deleagates are urged to study the manual and to actively work in their respective assignments and cooperate for the success of the convention.

Esteemed delegates, the panel of chairmen is to be formed to guide and to control the convention and to ensure the convention agenda is followed. The eight categories of delegates are to elect five chairmen and the Work Committee for Convening the National Convention and the panel of chairmen composed of 45 members; each panel formed with nine members are to carry out their duty in turn.

The election of members to the panel of chairmen are to be carried out in meetings soon to be held, according to the different catagories of delegates. Therefore, I urge the delegates to elect suitable persons in your respective catagories. After the members of the panels of chairmen are elected, another important task is to determine the topics to be discussed at the National Convention. This matter will be determined after the delegates have held thorough discussions. After the topics are determined, all of us are to discuss the topics patiently.

The National Convention is being held during the cold season—an auspicious season which we hope will bring peace to the country. Furthermore, another coincidence today is a poem composed by Maha Thula Mingyi, an ancient writer, about this month of Pyatho [December]. The poem shows that during the month of Pyatho, assemblies were held under clear skies and cool weather in the ancient times. The National Convention is being held during Pyatho in accordance with this noble tradition.

Over 1,000 personnel from the National Convention Convening Commission, the Work Committee for Holding the National Convention, the Management Committee for National Convention, and subcommittees will attend to the physical and mental needs of the delegates and to ensure that they discharge their duties for the convention actively and in good health.

I would like to warn the delegates to take care of their health in the change of weather and to give notice of any medical need.

Esteemed delegates and guests: In conclusion, I would like to point out the utmost efforts which were made to make the best out of national politics in Myanmar politics in different eras, such as the Ne Thurein Conference and the Panlong Conference on national unity which were milestones in the history of the country.

Likewise, the 1993 National Convention in which we are participating is a significant event in the country's history. I hereby conclude by calling on the delegates to work in unity for the success of the national convention, which will best serve the interests of the country and the people.

Minority Groups Denounce Convention

BK0901043093 Bangkok BANGKOK POST in English 9 Jan 93 p 6

[Text] Minority groups in Burma yesterday denounced the National Convention held in Rangoon today by the State Law and Order Restoration Council [SLORC], saying it will be just a ploy to deceive the world.

The Democratic Alliance of Burma, the National Coalition Government of Union of Burma, League for Democracy as well as representatives from 32 smaller minority groups in Burma held a National Council of Union of Burma from Monday until Thursday in a gesture designed to counter the SLORC-sponsored meeting in Rangoon.

Karen National Union [KNU] chairman Gen Bo Mya presided over the meeting which resolved to denounce the SLORC-organised national convention in the Burmese capital.

Gen Bo Mya announced the civil war in Burma and human rights abuses by Rangoon will not be terminated while no peaceful coexistence will be achieved as long as SLORC refuses to transfer power to a civilian government despite the general election in 1990.

The KNU leader said a national convention will be acceptable by all parties only on grounds that it is in line with the Geneva Convention in 1949 under which Burma should be ruled in the form of a federated union. Such a union is needed for all Burmese people and minority groups to have equal rights in politics, economic activities and mutually to determine the country's destiny, the Karen leader said.

Kachin Independent Organisation chairman Brang Seang, who was vice-chairman of the National Council of Union of Burma, said the United Nations should play a role in a bid to end the civil war in Burma by creating an agency like UNTAC [UN Transitional Authority in Cambodia] in Cambodia.

National Coalition Government of Union of Burma's premier Seng Win, who was another vice-chairman of the National Council of Union of Burma, said SLORC still will not release Nobel Peace Prize winner Aung San Suu Kyi, former secretary general of the National League for Democracy since she was put under house arrest in 1989.

Convention To Adjourn; To Resume 1 Feb

BK1101094593 Rangoon Radio Burma in Burmese 0630 GMT 11 Jan 93

[Speech by Major General Myo Nyunt, chairman of the National Convention Convening Commission, minister of religious affairs, and Rangoon commander, at the National Convention meeting on 11 January in Rangoon's Presidential House Compound—read by announcer]

[Text] Dear convention delegates: Discussions will be held to outline the basic principles for drawing a firm constitution for our beloved motherland at the ongoing National Convention. As I mentioned at the opening of the National Convention on 9 January, what is well begun is already half done, there is a need for the delegates to give their opinions and suggestions on whatever is needed to be discussed at the ongoing National Convention right from the beginning. There is a need for all of us to deliver our utmost efforts to give opinions and suggestions, which are best for the country from the beginning until the end.

Good suggestions and opinions which are in accord with the six objectives—nondisintegration of the union, nondisintegration of national solidarity, perpetuation of sovereignty, emergence of a genuine multiparty democratic system, development of lawkapala [eternal] principles of justice, and participation of the Defense Services in the leading role in national politics in the future—are to be coordinated and discussed at this convention.

In doing so, the topics which are generally included in international constitutions, the 1947 and the 1974 Burmese Constitutions, can be studied to gain basic knowledge as explained by U Aung Toe, chief justice and chairman of the Work Committee for convening the National Convention, in his speech delivered this morning. The delegates are to study and to discuss the topics based on the general suggestions given by the work committee chairman.

Dear convention delegates: I think the delegates have realized how the National Convention Convening Commission and various committees have a respectful attitude towards the delegates and how plans are being made to hold free and wide-ranging discussions democratically.

I have already explained broadly the three major tasks to be considered in the discussions. Moreover, the delegates will continue to weigh and to discuss the pros and cons on the preparations, the main topics for discussion, and the nature of other constitutions, in accordance with the presentations by the work committee chairman. The National Convention Convening Commission has come to realize and is under the impression that there is a need to give sufficient preparation time for the delegates to continue and to prepare for the discussions. Moreover, the commission has also realized delegates, who represents the 10 political parties at the the National Convention, will need time if they wish to discuss the matter with their respective parties.

That is why the commission has decided to adjourn the ongoing National Convention in order to give more study time for delegates from political parties, delegates from national races, delegates from peasants, workers, and the intelligentsia including the public service delegates. The National Convention will adjourn 12 January. The National Convention will resume on 1 February. We will make the necessary transportation arrangements so the delegates can begin leaving on 12 January and can return in time for the resumption of the convention.

Dear delegates: We have stayed together for a week. The commission, the committees, and the subcommittees are thankful to the delegates for their cooperation during this period. There is a Burmese saying: Tata bawa atu twarga nyinyar meiktu khin hmu hti [if human beings travel together for more than seven steps, they become friends]; since the delegates and we have travelled together for more than seven steps, we have genuinely become good friends. All delegates are wished a safe journey on their return home and we happily wish to see all when the National Convention resumes on 1 February. During the adjournment, may the delegates study hard to deliver good suggestions worthy of the country.

In conclusion, I would like to see all the delegates happy and well on 1 February and I also extend my best wishes to all the departing delegates.

Convention Adjourns 11 Jan

BK1101095793 Rangoon Radio Burma in English 0710 GMT 11 Jan 93

[Text] The national convention continued at 1000 today at the Central Meeting Hall in the compound of the president's residence in Yangon [Rangoon]. It was attended by the Chairman of the Convening Commission of the National Convention Major General Myo Nyunt; Vice Chairmen Maj. Gen. Maung Thint and Brigadier General Myo Thant; the Secretary Brig. Gen Aung Thein and commission members; Work Committee Chairman U Aung Toe; Vice Chairman U Tha Tun and committee members; Chairman of the Management Committee Brig. Gen Tin Aye; Vice Chairman Brig. Gen Tha Htay; U Hlaing Win and committee members; Chairman of the Multiparty Democracy General Election Commission U Ba Htay and members; representatives of the political parties; elected representatives; representatives of national races; representatives of peasants; representatives of workers; representatives of the intelligentsia and technocrats; representatives of state service personnel; invited persons; the Acting Dean of the Diplomatic Corps in Myanmar [Burma] the Ambassador of Sri Lanka Mr. (S. Vijung Singh Alawathiwala) and diplomats; honorary consulars; officials from UN agencies; and journalists from national and foreign media organizations.

The national convention was presided over today by the Chairman of the Convening Commission Maj. Gen Myo Nyunt, and the Secretary Brig. Gen. Aung Thein acted as master of ceremonies.

First, the Master of Ceremonies Brig. Gen. Aung Thein announced that the National Convention was attended by 699 out of altogether 702 delegates, with the attendance of 99.57 [percent]. The meeting was valid and declared opened.

At today's meeting, the Chairman of the Work Committee of the Convening Commission U Aung Toe delivered an address regarding the formulation of basic principles for forming a new state constitution, after which the Chairman of the Convening Commission Maj. Gen. Myo Nyunt gave clarification regarding the program for the national convention. The Secretary of the Convening Commission Brig. Gen. Aung Thein then clarified the points regarding certain administrative matters. He explained that for the delegates to gain sufficient time to study the matters the national convention would resume on the 1st of February. Today's meeting adjourned at 1055.

The national convention today was covered by representatives of foreign media organizations who have come to Myanmar such as Radio France International, ARD, TOKYO SHIMBUN, NEWSWEEK, KYODO News Service, Kawa JIJI PRESS, SANKEI SHIMBUN, YOMIURI SHIMBUN, NIHON KEIZAI SHIMBUN, MAINICHI, AP, NHK, AFP, ASAHI SHIMBUN, BBC (Tokyo), (BBC-TV), Australia Broadcasting Corporation ABC, and TIME Magazine.

Brunei, Malaysia & Singapore

Malaysia

Thai Premier Concludes Visit 'With Success'

BK0801140393 Bangkok Radio Thailand Network in Thai 1200 GMT 8 Jan 93

[Text] Prime Minister Chuan Likphai and his delegation concluded the official visit to Malaysia with success and returned to Thailand this evening. Speaking to reporters at Bangkok Airport, the prime minister said during the visit he was granted an audience with the Malaysian paramount ruler, who praised close relations and cooperation between Thailand and Malaysia, expressed hope that such bilateral cooperation will be further developed, and conveyed his regards to Their Majesties the King and Queen as well as other members of the Royal Family. The prime minister also met with his Malaysian counterpart and brought up border and economic problems and other issues for discussion. He said the Malaysian side has reaffired its readiness to cooperate with Thailand in fishing.

[Begin Chuan recording] The Interior Ministry will send officials from the Labor Department to be stationed at the Thai Embassy there to look after our workers and help find more jobs for them. Malaysia has only 17 million people and is in great need of foreign workers to develop the country. We have informed them about our intention to support the UN resolutions on Cambodia. Malaysia agrees with our attitude. The Malaysian side was very satisfied with the presence of several leading businessmen in our delegation because the two sides could, for the first time, seriously hold consultations on cooperation between the two countries.

The visit was aimed at enhancing good relations between the two countries. I would like to tell you that both sides agree that the visit helps creates more good understanding which will lead to cooperation in solving related problems and carrying out other undertakings for the benefit of the two countries. [end recording]

Commentary Hails 'Fruitful' Visit

BK1101084693 Kuala Lumpur Voice of Malaysia in English 0800 GMT 9 Jan 93

[Station commentary]

[Text] Malaysia is honored to have played host to the new prime minister of Thailand, Mr. Chuan Likphai, who ended his three-day visit to the country yesterday. It was his first visit to Malaysia since taking office as premier after his Democrat Party's narrow victory in the September democratic election.

His 88-member entourage included a number of senior ministers, leading government officials and Thai businessmen, which is indicative of the seriousness attached to the visit and the comment desire to forge closer trade and economic relations between Malaysia and Thailand.

Indeed the theme of such cooperation and collaboration not only between the two countries but also among the ASEAN nations as a whole formed the basis of talks between Mr. Chuan's delegation and Malaysian leaders, and entrepreneurs.

As Malaysia's Prime Minister Dr. Mahathir Mohamed pointed out at the official dinner in honor of his Thai counterpart, ASEAN must be prepared to examine different concepts and levels of cooperation that will contribute to the strengthening of the grouping. It is only through greater economic strength and cohesion that the body can play an effective role in the larger war, including the protection of free trade which is crucial to ASEAN's prosperity. Dr. Mahathir was obviously referring to ASEAN's future position in the face of the failure of the Uruguay rounds of world trade talks to come to a satisfactory and successful conclusion even after six long years.

In this context, much of the developed world have taken note of the ASEAN's move to set up its own Free Trade Area, AFTA, over a 15-year period, beginning with the Common Effective Preferential Tariffs or CEPT, which was launched on 1 January. However, for AFTA to be meaningful, there must be a collective and concerted efforts towards the promotion of greater trade and investment among the member countries.

On the subject of membership of ASEAN, it is the hope of Malaysia and her other partners that the Indochinese states as well as Myanmar [Burma] will join the family sooner or later in the future. Both Malaysia and Thailand have expressed their resolve to assist those countries in their reconstruction and development.

While it is heartening to know that Vietnam and Laos have taken steps towards their economic progress, it is disturbing to know that the Cambodian peace process is still in the stalemate because of the Khmer Rouge's intransigent attitude towards the Paris peace accord and its refusal to participate fully with the Paris peace accord. All the ASEAN countries view this isssue as a matter of serious concern and hope there will be an early settlement of the conflict.

It is indeed encouraging to know that trade between Malaysia and Thailand has been increasing steadily over the years. Statistics show that bilateral trade grew from 2.4 billion ringgit in 1987 to 5.4 billion ringgit in 1991. Thailand is today Malaysia's second largest trading partner in ASEAN and it's 14th biggest foreign investor in the world.

The Malaysia-Thailand Joint Authority, MTJA, is a shining example of efforts toward greater mutual cooperation. The Northern Growth Triangle comprising North Malaysia, South Thailand, and North Sumatra in Indonesia is due to take off with the hope of bringing immense economic benefit to the region.

Regular visits and discussions among ASEAN leaders have helped to solve many difficult issues. By our term, Mr. Chuan Likphai's visit is bound to bring about fruitful and beneficial result to both Thailand and Malaysia.

Editorial Views Relations

BK1101103593 Kuala Lumpur NEW STRAITS TIMES in English 9 Jan 93 p 10

[Editorial: "Touching on Many Points"]

[Text] The symbiotic relationship between Malaysia and Thailand anchored over centuries of shared political, cultural, historical and social history, has evidently been brought to bear in the wide range of issues agreed upon between our Prime Mimster Datuk Sri Dr. Mahathir Mohamed and visiting Prime Minister of Thailand, Mr Chuan Likphai.

Thailand shares common borders with Myanmar [Burma] and Cambodia, both of which are politically volatile even if Cambodia is on the rocky road to a democracy, and Malaysia. Every day, thousands of Malaysians and Thais criss-cross into each other's territory and there are plenty of opportunities for dispute and ugly incidents if it were not for the fact that Malaysians and Thais tend to regard each other as friendly neighbours. Greater economic cooperation between the two private sectors has also accounted for the steady increase in bilateral trade. Thailand has emerged as Malaysia's second largest trading partner in ASEAN and the 14th largest foreign investor. The goodwill shown between Malaysians and Thais and the steady level of private sector participation are what Chuan described as "interlocking networks" that are necessary as an extension of inter-government collaboration.

As with most borders, there will be tacky issues about territorial rights, especially in resource-rich areas which overlap. This issue has found an acceptable compromise, namely the Malaysia Thailand Joint Authority (MTJA) which will jointly explore mineral resources in such territories and give an equitable share of the economic gains to both countries. It personifies the level of maturity and understanding between both countries. Rather than allow themselves to be drawn into wasteful and damaging dispute with each other, they have instead looked at matters in the proper perspective and worked out an agreement according to established international laws, that would be beneficial to both.

There is much mutual benefit to be derived from each other's strengths. Both have been hailed as being among the fastest growing economies today. Economic policies in tandem with each other for complementary rewards is a logical pursuit. Malaysia's support for the Thai-proposed AFTA [ASEAN Free Trade Area] and Thailand's support for the Malaysian-proposed EAEC [East Asia Economic Caucus] reflects this understanding. The political will being shown towards the fruition of the Northern Growth Triangle consisting of the northern states of Malaysia, Thailand's southern provinces and northern Sumatera, will be another feature of the increased need to explore regional potential and opportunities in the wake of growing protectionist tendencies in the West.

Border disputes are a drain on the resources and a potential spoke in the economic wheel. The climate of peace and political stability in the country has been a major contributor to Malaysia's steady growth. The threat of insurgency along the borders has been reduced, but both sides must remain vigilant, especially in the wake of the belief that hardcore communists will resurface should the country experience turmoil and political instability. The successful meetings of the General Border Committee in Bangkok and the fifth Thai-Malaysia Joint Commission in Langkawi last year is assurance that both sides will continue to cooperate in the many points and areas of contact.

Minister Describes Miyazawa Visit as 'Vital'

BK1101132493 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 11 Jan 93

[Text] Malaysia regards Japanese Prime Minister Kiichi Miyazawa's three-day visit to the country this week as vital. Malaysia's proposal to set up the East Asia Economic Caucus, EAEC, will be discussed during the visit and will produce positive results.

Foreign Minister Datuk Abdullah Ahmad Badawi said in Kuala Lumpur today, besides the EAEC, both countries would discuss (?world's) political developments, including the election of Bill Clinton as the new U.S. president and the economic position of the Asia-Pacific region in the coming years.

Mr. Miyazawa will arrive in Kuala Lumpur on Wednesday for his first official visit to the country. He arrived in Jakarta today and will also visit Thailand and Brunei.

Rulers, UMNO Leaders Discuss Amendment

BK0901085493 Kuala Lumpur Voice of Malaysia in English 0800 GMT 9 Jan 93

[Text] The Malay rulers met unofficially for more than an hour at the Istana Negara, National Palace, today. This was their third meeting since the government made known its intention to amend the Federal Constitution to remove the rulers' immunity.

His Majesty the King, Sultan Azlan Shah, also attended today's meeting.

This afternoon, UMNO [United Malays National Organization] leaders, led by Datuk Sri Dr. Mahathir, met unofficially with the Malay rulers at Istana Negara to discuss the draft of the amendments, which the Cabinet approved last Wednesday.

Badawi Comments

BK1101073493 Kuala Lumpur Voice of Malaysia in English 0600 GMT 11 Jan 93

[Text] Malaysia's image is not affected following the proposal to amend the Federal Constitution to remove the immunity from prosecution enjoyed by the rulers. The foreign minister, Datuk Abdullah Ahmad Badawi, however, said foreign countries especially the ASEAN member nations were watching the development with interest. Some countries view the situation in a positive manner while a few countries might make their own speculation.

He was speaking to reporters after opening the UMNO [United Malays National Organization] work camp in Rantau Panjang [Kelantan]. Datuk Abdullah said the government was making efforts to brief the foreign countries on the situation.

Baba Hopes Rulers Accept Amendment

BK1001102893 Kuala Lumpur Voice of Malaysia in English 0600 GMT 10 Jan 93

[Text] Deputy Prime Minister Ghafar Baba has advised the Malay rulers not to depend too much on the Constitution. He said the Constitution is only a man-made law which could be changed at anytime. He said this when speaking at a function organized by the UMNO [United Malays National Organization] Division in Seremban. He hoped the rulers would accept the proposed amendment to the federal Constitution to withdraw their immunity from prosecution as the move was aimed at preserving the constitutional monarchy.

Mr. Ghafar Baba said when he and others were involved in drawing up the Constitution before independence, they had raised the reservations about Article 181 concerning the immunity of the rulers as it was against the teachings of Islam. The deputy prime minister also said the government is aware that the shortage of forestry officers is hampering the operations of the Forestry Department. The government is striving to overcome the problem and for the time being, (?has asked) the Army and police to help curb illegal logging.

Singapore

Police Investigate Ship After Distress Call

BK1001044893 Hong Kong AFP in English 0426 GMT 10 Jan 93

[Text] SINGAPORE, Jan 10 (AFP)—Police said Sunday they were investigating events on a cargo ship which put out a call for help two days ago after picking up passengers from a Chinese vessel bound for the United States. Marine police said in a statement that some of the passengers picked up from an unidentified Chinese ship by the 499-tonne Galahad on the high seas were believed armed with pistols.

Marine police boarded the Galahad soon after it arrived here last night and were questioning crew members and passengers and searching the ship, the statement said.

The vessel had earlier triggered concern among marine authorities here and in Malaysia after putting out a distress call and then going off the air while in Indonesian waters near Natuna Island, marine sources said. The marine sources did not dismiss suggestions that the Galahad may have been hijacked.

The Marine police statement said that five of the Galahad's nine crew members, including the ship's unidentified master, asked to be allowed to disembark after the vessel arrived here and told port authorities it was enroute to Cape Town.

"Against the PSA's (Port of Singapore Authority) instructions, the vessel stopped its engine in what is a busy sea lane," the marine police statement said, adding that for safety reasons the ship was ordered to another part of the harbour.

The Galahad is registered in Kingstown, St Vincent and the Grenadines in the Caribbean and owned by a Taiwan company. The vessel last stopped at Keelung in Taiwan for repair, the statement said.

Ship Said Smuggling Chinese Immigrants

BK1001143693 Singapore Singapore Broadcasting Corporation in English 1400 GMT 10 Jan 93

[Text] Police have ascertained that the cargo vessel which arrived in Singapore night after reporting struggle on board was not hijacked. The incident was also not one of piracy. The police director for operations, Mr. Chua Chin Kiat said it was a case of smuggling illegal immigrants from China to the United States. Mr. Chua said the whole incident was an inside job.

The vessel, whose name was earlier given as Galahad, is now known to be registered as Solas. The Taiwanese-owned vessel, which left Hong Kong for New York on the 25th of November, had developed engine trouble. The Solas headed for Taiwan for repairs, after which 128 Chinese nationals and one from Hong Kong from another vessel boarded it.

Mr. Chua told a new conference this evening that when the master of the Solas and the second officer refused to continue with the journey, they were allegedly detained by the ship's cook and captain. The captain then took over command of the Solas from the master. But the captain was not familiar with the route. The master was then asked to take over again. This was the opportunity to radio a distress call.

The message was received by the Singapore Telecoms' radio center on Friday. It said the vessel with five crew members were rescued by people from a Taiwanese fishing boat. Some of the people were said to be armed with pistols. The message said the vessel would be heading for Singapore and asked the Marine Police to stand by. Mr. Chua said the police who conducted investigations recovered one home-made pistol, which was unservicable, eight improvised bullets, and two knives. He said these were not harmful. Mr. Chua said investigations are continuing and the attorney general's chambers would be consulted once they are over.

Mr. Chua Chin Kiat said the illegal immigrants will remain on board for the time being.

Chinese Embassy Takes Note

BK1101063293 Hong Kong AFP in English 0545 GMT 11 Jan 93

[Text] SINGAPORE, Jan 11 (AFP)—The Chinese Embassy in Singapore Monday distanced itself from 128 United States-bound mainland Chinese detained here after their boat's skipper radioed for help, saying their identity could not be ascertained.

"They have no identity papers. It is difficult to identify them. We don't know where they come from. Maybe they are Chinese but where are they from?" a Chinese diplomat said.

The diplomat said the embassy was in the process of contacting the Singapore authorities and the Chinese Government to ascertain the identity of the Chinese found aboard the 499-tonne freighter after police boarded the vessel in Singapore waters.

Police Director for Operations Chua Chin Keat said Sunday that the passengers, who included a Hong Kong national, "were all illegal immigrants from China." Chua said the passengers, who had no valid travel documents, had each paid 2,000 U.S. dollars as down payment for passage and promised to pay as much as 20,000 dollars on arrival. He said the ship, originally identified as the Galahad registered in Kingston, Jamaica, had the name "Solas" painted on its hull and was owned by a Taiwanese identified only as Liu.

A distress message from the freighter's Burmese captain, U Tin Hla, picked up by port authorities here Friday had initially triggered fear that the Solas had been hijacked on the high seas near Indonesia's Natuna island.

Chua said police interrogation of the captain and his eight crew had found that the illegals, 116 men and 13 women, had boarded the vessel from Rock island near Keelung, Taiwan. Police suspect the ship was fitted with bunks for its human cargo in Keelung and took on provisions there.

"It is not a case of hijacking. It was just a case of Chinese being smuggled into the United States passing through Singapore waters," he said.

Chua said a Taiwanese crew member took command after Hla apparently lost his nerve and decided not to proceed with a planned voyage through Singapore and Cape Town to the east coast of the United States. After he was allowed to resume command when the vessel ran into difficulties Friday, he sent a distress signal to Singapore authorities, Chua said.

Police said they were probing possible links between the ship's crew and known syndicates based in Hong Kong, Taiwan and Thailand running Chinese illegals to the United States. A senior police officer said the routes used by the syndicates included to Hawaii or through Hawaii to the U.S. west coast.

Cambodia

UN Peacekeeping Force Probes Hospital Arson

BK0801111493 Jakarta ANTARA in English 0921 GMT 8 Jan 93

[Text] Jakarta, Jan 8 (OANA/ANTARA)—Indonesia's UN peacekeeping force in Cambodia Wednesday started to investigate the case of hospital arson allegedly masterminded by the Khmer Rouge, the Military Information Center announced here Thursday.

The center further said that the investigation by the peacekeepers who belonged to the Garuda XII contingent was led by Captain Slamet Basuki.

The investigation—the results of which will be submitted to the UN Transitional Administration [as received] in Cambodia (UNTAC) headquarters in Phnom Penh—is expected to also result in a better method to prevent similar cases from taking place.

Witnesses said that the Khmer Rouge, one of the conflicting factions in Cambodia, burned down the hospital after looting a large amount of medication and the patients' valuables Tuesday evening.

No casualties were claimed in the action.

The Khmer Rouge reportedly was intensifying its "show of force" prior to the People's Freedom Day commemoration on 7 January.

The Hun Sen-led Government of the State of Cambodia decided to name 7 January the People's Freedom Day as it marked its success to oust the Khmer Rouge administration under Pol Pot years ago.

The Garuda XII contingent is planning to restore the burned down hospital so that it can regain its function soon.

The restoration will start as soon as the contingent finishes its civic mission at the Mount Santuk Temple, Kompong Thom.

Sihanouk's 7 Jan Message to People Reported

BK0901153093 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 9 Jan 93

[Message from Prince Norodom Sihanouk in Beijing to the Cambodian beloved people, dated 7 January—read by announcer]

[Text] Revered supreme patriarchs of both sects and venerable Buddhist monks and beloved children, grandchildren, great grandchildren, and compatriots: I, Norodom Sihanouk, the prince father, prince grandfather, and prince great grandfather, have the great honor of informing you as follows:

On the morning of Thursday, 7 January, the Voice of America, or VOA, radio presented a slanderous report to the world that some UN officials had strongly criticized and blamed me for remaining in Beijing when the situation in our country is deteriorating dangerously.

As you are already well aware, between the 1950's and the 1990's, I have never stopped working or been afraid of becoming weary. I have always vigorously and energetically carried on my struggle for our Cambodia's full independence and territorial integrity; our people's freedom, dignity, tranquillity, security, wellbeing, and happiness, and mutifarious progress and development in the construction of our nation. Likewise, when I was living in exile between the 1970's and the 1990's, I never forgot our fellow compatriots and motherland. At all times, I struggled to seek and get back the peace and independence that I had wrested back from the French colonialists in 1953, as well as territorial integrity that I fully established in 1963 and that I had safeguarded until the military coup staged by the Lon Nol-Serimatak clique on 18 March 1970.

Now, my most intense desire is to return to our motherland immediately. Nevertheless, my prominent Chinese doctors in Beijing, who have constantly given me the most skillful medical treatments with the greatest friendship and loyalty, maintain that I should continue my treatment for a few more months. It is definite that I have a serious health problem. I could go blind in my right eye because it still suffers; I could be in danger of a heart attack, blockage of the arteries around my heart, nervous system breakdown, numbness, or paralysis.

UN officials and some diplomats in Phnom Penh, who like to make all kinds of criticisms of myself, should come to Beijing and personally meet and discuss with my Chinese doctors to find out whether I am really sick or if I just pretend.

Revered supreme patriarchs and venerable Buddhist monks and beloved children and compatriots, it is those criticizing and accusing me who are executing an improper policy in Cambodia and conducting activities that do not conform to Cambodia's genuine supreme interests, and that are totally against the rights of Cambodia, which should have independence, sovereignty, national unity, territorial integrity, economic independence, genuine peace, and a democratic regime of the proper Cambodian style.

My enemies consist only of those who serve the interests of imperialism or neocolonialism or those who act in line with the strategies or ideologies of their countries or governments. They treat our Cambodia, our people, our nation, and our race with contempt. They have not served our nation's veritable supreme interest. And as they have not been able to stir up a cloudburst at will on the Cambodian territory and have seen that the mission they claim to be a salvation of Cambodia—this mission is in fact a scheme of the imperialists and neocolonialists, 90 percent of which is composed of shameful and historic fiascos—they resort to criticizing, attacking, and putting on Norodom Sihanouk the blame and full responsibility for their bad and improper policy, their wrongful activities, their shameful mistakes, and their inevitable and irreparable failure.

I am the legitimate head of the state in Cambodia; however, there are still some foreign governments, UN officials, and diplomats who dare to consider me a swindler, who has asked for the function of head of state unlawfully. And I have no power in my capacity as the chairman of the Cambodian SNC [Supreme National Council]. I am only a puppet whose moral influence and popularity have been exploited so that 90 percent of my people will give legal recognition or legitimacy to decisions that are often contrary to my patriotism and the vital, supreme interests of our country, people, nation, and race.

In this situation, I am not able to cooperate with organizations and the group of individuals who have conducted improper policy and activities that do not conform to my patriotic ideas, which are endorsed and supported by 90 percent of my people inside and outside the country.

Revered supreme patriarchs and venerable Buddhist monks and beloved children and compatriots: In 1993, as in 1952, our Cambodian people are confronted with political problems in the face of foreign powers. Therefore, it is necessary to launch a crusade to restore full independence to Cambodia, complete sovereignty to the Cambodian people, and to unite the sacred forces of the entire militia in our motherland. In my long political life, I, for the Cambodian nation and motherland, have always struggled to demand, defend, and safeguard our rights as the owners of our nation. My conviction remains firm and unchanged:

1. Only the entire Cambodian people, male and female alike, can definitely solve the Cambodian problem.

2. We Cambodians should have good relations with the countries and people in the rest of the world. In fact, we should respect the United Nations, of which our Cambodia is a full member. Cambodia, however, should

adopt a self-reliant principle and should in no way allow its national destiny and future to remain in the hands of foreigners.

3. Democracy can only exist if Cambodia has total independence, sovereignty, and unity within its territorial integrity and has peace.

4. Political independence can only exist if economic independence also exists.

I call on the people from all factions and political parties, who are patriots, to meticulously ponder this issue. As for myself, I believe that our motherland's situation is not so bad that I should intervene and begin a new crusade to save our nation. We should let UNTAC [UN Transitional Authority in Cambodia] and the administration of the State of Cambodia, which are in power, run Cambodia's affairs themselves and shoulder full responsibility for their authority. When my intervention to launch a new crusade to save the nation is required and agreed upon by all the Cambodian factions and political parties, I, although my health has not yet fully recovered, will be ready to lead the crusade to restore independence, unity, territorial integrity to our Cambodia; peace, respect for human rights, and all kinds of freedom to the Cambodian people; and multiparty democracy with a national assembly in accordance with the special character of our nation.

I would like to express the deepest and warmest thanks to all of you.

Khieu Samphan, Son Sen on Sihanouk Message

BK1001033693 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Jan 93

[Text] On 8 January, His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK] and member of the Supreme National Council [SNC]; and H.E. Son Sen, vice chairman of the PDK and commander in chief of the National Army of Democratic Kampuchea [NADK], and SNC member, addressed a message to Prince Norodom Sihanouk, head of state and SNC chairman, expressing full support for the latter's message dated 7 January 1993. Here is the text of the message:

Respected prince: All of us were very moved after reading your 7 January 1993 message full of noble patriotism. All of [illegible] fully support this message. The prince has held aloft the national flag and we would like to follow this national flag until our beloved Cambodia achieves independence, peace, and neutrality, the way Cambodia was during the prince's time before March 1970. We firmly believe that our nation and people will vigorously respond to the prince's message and will unite en masse to follow the prince.

Finally, all of us would like to wish the prince (?improved health). Please accept our most profound sentiments.

[Dated] 8 January 1993
[Signed] Khieu Samphan, PDK chairman and SNC member, Son Sen, PDK vice chairman, commander in chief of the NADK, and SNC member

Sihanouk Reverses Earlier Announcement

BK0901054293 Hong Kong AFP in English 0534 GMT 9 Jan 93

[Text] PHNOM PENH, Jan 9 (AFP)—Prince Norodom Sihanouk reversed Saturday his earlier announcement and indicated that he will work with the United Nations after all, calling a U.N.-supervised Supreme National Council (SNC) meeting at his residence in Beijing at the end of the month.

The prince also said in a statement released here that he would be a candidate for presidential elections, after previously declaring he would not participate.

The announcements came in a statement following a meeting between Prince Sihanouk and U.N. Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi.

The prince had said in a letter before the meeting that he would not discuss politics anymore with Akashi because of UNTAC's failure to stop the killings of Prince Sihanouk's followers in Cambodia.

The SNC, grouping the four Cambodian factions under Prince Sihanouk's chairmanship and U.N. supervision, had "important problems to resolve in Cambodia ahead of the elections in April or May 1993."

The United Nations is scheduled to hold general elections here before May, but the Cambodians have been pushing to have Prince Sihanouk elected president before that date, a measure not called for in the peace accords ending the civil war.

Prince Sihanouk is in Beijing recovering from an unspecified illness.

Saying that certain U.N. officials had been criticizing him, the prince said he was prepared to fight back.

"If, in instead of finding out the truth, these U.N. officials want to continue their verbal battle against me, I will accept to fight against them. In fact, I do not lack practice or experience in this kind of 'sport' having already come up against colonialists, imperialists, expansionists and others," the prince said.

The prince had announced Monday that he would no longer cooperate with UNTAC because the peacekeepers were not able to ensure a neutral political environment in Cambodia.

Khmer Rouge View of Situation Presented

BK0901052693 Bangkok BANGKOK POST in English 9 Jan 93 p 4

[Article by Jacques Bakaert under the "Cambodian Diary" rubric: "Distrust and Political Intimidation"]

[Text] Can Cambodia be saved? Maybe, but then it will be by the Cambodians, not by the United Nations or any other well-meaning organisation. The UN can help, the rest of the world can help, but no one can force Cambodian leaders to take a second look at what is going on, get together and try to save their country from perdition.

Very few people still believe the Khmer Rouge are going to accept phase II of the UNTAC [UN Transitional Authority in Cambodia] peace plan, disarm 70 per cent of their men and run for elections. The Khmer Rouge are convinced that the entire world is against them, that UNTAC's main goal is to kick them out of existence, and that sanctions are unfairly directed at them.

At least that is how the Khmer Rouge leadership sees things. At a recent meeting with Prince Norodom Ranariddh, Mr Khieu Samphan explained that his faction had no choice but to continue fighting. Fighting against the Vietnamese presence, and against the Phnom Penh regime. The Khmer Rouge believe they are the only protectors of the nation. They believe that their sacred mission is to save Cambodia from colonisation and extinction.

"Talking to them is like talking to a wall," said a frustrated ASEAN official after a round of talks with some of the Khmer Rouge leaders. But one thing is certain: The Khmer Rouge leaders are men and women of firm beliefs. One may accuse them of fanaticism and intransigence, but they are people with a strong faith. Which means that sanctions, no matter how strong, will not make them change their point of view.

Leaders from the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the Buddhist Liberal Party and many Khmer citizens will tell you in private that much of what the Khmer Rouge are saying these days makes sense. But this does not necessarily mean that people will blindly support the aggressive policy of the Party of Democratic Kampuchea, which is now known as the National Union Party of Cambodia.

People are very much afraid of a resumption of war, of the tragedy of the past 23 years. But if the Khmer Rouge leadership is to blame for the current fragility of the peace process, one should not ignore negative actions of the Phnom Penh regime. Don't forget the roots of the Cambodian People's Party (CPP) which originated from the Issarak group of the Fifties. The original members (and leaders) of the People's Revolutionary Party of Kampuchea (PRPK) came from a few "Khmer Vietminh" who left Cambodia after the Geneva agreement of 1954 namely Ros Samay, Pen Sovan, Chan Si and Chea Soth, and former Khmer Rouge like Chea Sim, Heng Samrin, Hun Sen, Sar Kheng and Sin Song.

Many provincial officials of the People's Republic of Kampuchea [PRK] (which became the State of Cambodia or SOC in 1989) were also former Khmer Rouge.

Although the party formally accepted the idea of multipartism after the signing of the Paris peace agreement, one can understand how the idea of power sharing is far away from the mentality of these SOC and CPP officials.

While it is true that both the PRK, Vietnam and the socialist world in general contributed to the rebirth of Cambodia after 1979, it is no less true that for almost ten years the regime ruled with a total lack of regard for human rights and other personal freedoms.

In his recently published memoirs—La Prison Sans Murs (Jail without Walls)—Kim Resty, a medical student of extraordinary moral courage and integrity, describes the four years he spent as a political prisoner in Phnom Penh and Kompong Cham.

Most of the people who put Kim Resty in jail for the crimes he did not commit are probably still in power. One can imagine how hard it is for them to accept the fact that former enemies are now opening political offices in "their" fiefdom and may take over their jobs and privileges after the elections. The answer for some of these CPP officials, too often, is "shoot them."

In Battambang a few months ago a human rights officer discovered several secret jails. Reliable sources said that some of the prisoners had been executed. Horrified by what they witnessed, some prison warders took refuge at the local FUNCINPEC office, which has since been a regular target of local officials.

Some UNTAC officials would like to suspend the governor of Battambang who on many occasions showed a total disregard for basic human rights and was reluctant to cooperate with UNTAC. The CPP is believed to be responsible for most of the political killings that have been rocking the country since the beginning of the year.

The Khmer Rouge and the CPP are enemies, not just political adversaries. For the Khmer Rouge, the men and women who have been in power for the past 13 years are little more than treacherous puppets. They cannot be trusted. They sold the country to Hanoi and allow themselves to be manipulated by Vietnam.

In the Khmer Rouge's view, to allow Phnom Penh to run Cambodia is extremely dangerous for the very future of the country. Phnom Penh see the Khmer Rouge as the greatest danger. A bunch of murderous fanatics who have already made clear that they want the death penalty for the main leaders of the People's Party.

One of the dangers of such an explosive situation is that the Khmer Rouge and Phnom Penh are in control of the only two armies worth mentioning. Even with no more than 10,000 men, the National Army of Democratic

Kampuchea can create a lot of problems. The Cambodian People's Armed Froces are, in the view of several military experts, in better shape today than it was a year ago. Few men have been demobilised, and there is plenty of equipment.

Both the Khmer Rouge and the People's Party come from a world where power is not something you share, and compromise is the exception. One of the favorite pastimes of Cambodian watchers is to divide the Camdodian leadership into rival factions, and look for moderates in order to make a deal. In the past 13 years I have heard dozens of stories about the existence of factions within the top Khmer Rouge leadership, or among the civilian and military commanders. So far the crack is not apparent.

Whether the temporary detention of UNTAC soldiers by local Khmer Rouge commanders was an erratic act or not, there has been no expression of annoyance from the top leadership. No more than about the massacre of Vietnamese civilians. In fact, it looks like a well-organized strategy: Keep UNTAC away from Khmer Rouge zones, and let the Vietnamese settlers risk their lives by staying in Cambodia.

As for Prince Sihanouk, he decided a few weeks ago to keep his distance from the CPP. As one source close to the prince said, "After coming back to Cambodia the prince had little choice but to be polite toward the CPP. But he has realised that the People's Party has not changed, that it still used brutal methods to intimidate adversaries, especially the cadres from the FUNCINPEC. The prince is fed up with the way the CPP has been using him."

UNTAC sources say they want to keep the best possible relations with Sihanouk, as he is the key to peace in Cambodia. The same UNTAC sources admit that many of the prince's criticism are valid, and that it is time for UNTAC to improve the political climate, and try to put an end to political violence.

Spokesman Warns of Phnom Penh Regime's Plans

BKi001023893 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Jan 93

["Communique of the spokesman of the Party of Democratic Kampuchea on the plan of the Security Ministry of the Phnom Penh puppets to produce and buy uniforms of the National Army of Democratic Kampuchea for the Vietnamese aggressor soldiers and Vietnam's puppet troops to wear in disguise and carry out various terrorist activities;" dated 9 January—read by announcer]

[Text] According to reliable sources in Phnom Penh, the Security Ministry of the Phnom Penh puppets recently met to adopt plans to carry out activities and maneuvers to dupe the local and foreign public in order to split national forces among the people.

Among these plans, there is one concerning the manufacture and efforts to buy thousands of uniforms of the National Army of Democratic Kampuchea [NADK] for the Yuon [Vietnamese] aggressor soldiers and the Yuon puppet troops to use and dupe people in carrying out all kinds of terrorist activities which include the following:

1. Attacks against UNTAC [UN Transitional Authority in Cambodia];

2. Attacks against FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Buddhist Liberal Democratic Party; and

3. Attacking and robbing people and other activities using NADK uniforms.

Concerning these issues, the PDK would like to inform in advance the local and foreign public.

[Dated] 9 January 1993
[Signed] PDK spokesman

Princess Monique Returns From Beijing 9 Jan

BK1001124993 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 9 Jan 93

[Text] At 1645 on 9 January, the Princess Consort Monique Sihanouk arrived in the homeland by a special plane of the State of Cambodia [SOC]. Accompanying the princess consort from Beijing to Phnom Penh were mainly Madame Samhieng Hun Sen [Hun Sen's wife]; Prince Norodom Chakkrapong, member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee and vice chairman of the Council of Ministers; and His Excellency [H.E.] Kong Sam- ol, member of the Standing Committee of the CPP Central Committee and vice chairman of the Council of Ministers.

On hand to welcome the princess consort at Pochentong Airport were notably H.E. Chea Sim, chairman of the CPP, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense; H.E. Heng Samrin, honorary chairman of the CPP Central Committee and chairman of the SOC's State Council; H.E. Hun Sen, vice chairman of the CPP Central Committee and chairman of the Council of Ministers; H.E. General Bou Thang and H.E. Chea Soth, both members of the Standing Committee of the CPP Central Committee and vice chairmen of the Council of Ministers; H.E. Sar Kheng, member of the Standing Committee of the CPP Central Committee and interior minister; H.E. Say Chhum, standing vice chairman of the Council of Ministers; H.E. Gen. Tie Banh, member of the Standing Committee of the CPP Central Committee; H.E. Mat Ly, member of the Standing Committee of the CPP Central Committee and vice chairman

of the CPP Central Committee's Control Commission; and H.E. Sim Ka, member of the Standing Committee of the CPP Central Committee and chairman of Phnom Penh's Party Committee and People's Committee; as well as other ministers, deputy ministers, and directors general and deputy directors general from all the state institutions.

Also present were several ambassadors and UNTAC [UN Transitional Authority in Cambodia] officials as well as Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party; H.E. Son Sann, chairman of the Buddhist Liberal Democratic Party; and a number of their aides.

Phnom Penh Officials Blamed for Attacks

BK1001115093 Hong Kong AFP in English 1102 GMT 10 Jan 93

[By Sherri Prasso]

[Text] Phnom Penh, Jan 10 (AFP)—The head of the FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) political party, which has endured a bloody campaign of violence and intimidation against its members, has squarely put the blame on its Phnom Penh government opponents.

He also criticized the United Nations for not taking **stronger action against them.**

"UNTAC is reluctant to take forceful measures because UNTAC feels (the Phnom Penh government) will withdraw their cooperation with UNTAC," FUNCINPEC leader Prince Norodom Ranariddh said in a weekend interview.

Instead, FUNCINPEC has been forced to withdraw the cooperation of its leader with the U.N. Transitional Authority in Cambodia (UNTAC) in response to the violence, he said.

"I am not very happy with UNTAC," he said. "In two months we have lost 20 lives. Could you accept it?"

"My strong stand is the only means, peaceful means, to put an end to the violence."

Prince Ranariddh named Phnom Penh Prime Minister Hun Sen, Cambodian People's Party President Chea Sim, Interior Minister Sar Kheng, National Security Minister Sin Song, the governor of Battambang Province and even his own rival half-brother Prince Norodom Chakrapong, as "altogether" responsible.

While the senior leaders are responsible for not controlling their provincial officials, the prince charged that the "governor of Battambang himself is involved in political intimidation."

"But the governor of Battambang is still governor. What can I say?"

Senior U.N. officials verified the claim, saying authorities in that northwestern province were emboldened by UNTAC's inaction and were becoming increasingly arrogant and brutal.

Hun Sen said at press conference last week that only bandits and "Khmer Rouge infiltrators" were responsible for the killings.

UNTAC, under the peace accords ending the civil war, has the power to remove offending officials, but has previously done it quietly so as not to cause authorities to lose face.

The governor of Kompong Chhnang was removed under UNTAC pressure in mid-1992 for blatant corruption, but was soon given a post as a deputy minister in Phnom Penh, U.N. officials and aid workers said.

"We have been reluctant to use this (removal power too much," one of the officials said. "I'm afraid the current situation is going to force us to do it, making waves."

Prince Ranariddh, who said he no longer feels safe enough in Phnom Penh to keep his permanent residence here, was in the Cambodian capital for a three-day visit to host a member of the Thai royal family.

He said he was trying to calm the fears of party workers who urged him to allow violent measures to respond to the spate of attacks and intimidation.

"They are urging, "If they shoot, shoot back; if they use AK-47s, use AK-47s back." We cannot allow this situation to occur," he said.

Prince Ranariddh pointed to several cases where his FUNCINPEC party workers were able to identify their attackers, saying "We know even the names of the (Phnom Penh) officials who have ordered" the attacks.

The prince introduced FUNCINPEC organizer Sou Sarith, 29, from eastern Prey Veng Province, who allegedly had his eye gouged out with a spoon last month by men he knew to be government soldiers.

"They caught him, they beat him, they took out his eye. UNTAC did nothing," Prince Ranariddh said. "He came here 16 hours later with his eye hanging out."

The man was treated at the U.N. field hospital after FUNCINPEC pleaded on his behalf for medical care, the prince said.

The UNTAC spokesman said a U.N. human rights officer had purchased a glass eye for the man.

Referring to a political alliance signed by FUNCINPEC and the Phnom Penh government more than one year ago, Prince Ranariddh said: "To be frank, the alliance becomes now a piece of paper.

UNTAC Reportedly Helping SRV, 'Puppets'

BK1101084193 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 Jan 93

["Communique of the spokesman of the National Army of Democratic Kampuchea, NADK, on some United Nations Transitional Authority in Cambodia members in Battambang Province joining hands with the Vietnamese and their puppets in launching attacks against the NADK;" dated 10 January—read by announcer]

[Text] I. Reports from reliable sources in Battambang Province, from Bavel District and Route 10 battlefields, and especially by many puppet Army officers captured on Route 10 battlefield by the National Army of Democratic Kampuchea [NADK] confirmed that some UNTAC [United Nations Transitional Authority in Cambodia] members in Battambang Province and Pailin District joined in and carried out activities in connection with an offensive that the Yuon [Vietnamese] and their puppets launched against the NADK on Bavel and Route 10-Battambang battlefields. As a matter of fact:

A. UNTAC has paid the Yuon and puppet troops joining in this offensive as follows: 1. 160 dollars to any officer taking part in each operation. 2. 60 dollars to any soldier taking part in each operation.

B. UNTAC has given them money for buying uniforms and other materiel.

C. Some UNTAC leaders in Battambang Province have encouraged members of the puppet 196th and 6th Divisions.

D. U.S. nationals in the UNTAC office in Pailin District have conducted intelligence and military espionage to seek the whereabouts of the Party of Democratic Kampuchea [PDK].

II. Why has UNTAC openly assisted the Yuon and their puppets on the battlefields?

There is no need to answer this question because everyone knows well that the situation from 1992 to date has caused both the Yuon, their puppets, and their allies within and outside UNTAC to become very upset. This is because in the past year, the Cambodian nation and people both inside and outside the country and the Cambodian national resistance forces jointly upheld the banner of the 23 October 1991 Paris agreement against the fake Paris agreement of the Yuon aggressors, Yuon puppets, and their allies within and outside UNTAC, basically smashing it as his royal highness [HRH], head of state and chairman of the Supreme National Council [SNC], summed up clearly in his 13 and 14 December statements that UNTAC, the Yuon, and their puppets must be held responsible for the Paris agreement not being implemented. UNTAC, Yuon, and the puppets must be held responsible for the loss of Cambodia's independence, sovereignty, and territorial integrity. They must be held responsible for the political crimes and fascist, terrorist acts against the Cambodian people and other political parties, particularly FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Khmer People's National Liberation Front parties.

Since UNTAC leaders, Yuon, and Yuon puppets ignored his appeal, the prince thus issued another statement on 4 January saying that he had officially stopped cooperating with UNTAC and Phnom Penh puppets. Prince Norodom Ranariddh also officially announced his decision to stop cooperating with the UNTAC head and Phnom Penh puppets. His Excellency Son Sann also voiced support for HRH Prince Norodom Sihanouk's decision.

This means that everyone knows that UNTAC is bad and has colluded with the Yuon and their puppets to kill the Cambodian nation and people. This is why at the beginning of 1993 UNTAC leaders, Yuon aggressors, and Yuon puppets have been so upset and have resorted to dark schemes, militarily, politically, and diplomatically, using persuasion, coercion, threats, and deceitful propaganda.

III. The Yuon aggressors, their puppets, and their allies, particularly some UNTAC leaders who have carried out the strategy of the Paris agreement [words indistinct] to smash the PDK, have mapped out a plan—mobilizing massive numbers of Yuon and puppet troops and war materiel, including tanks, artillery, and multiple rocket launchers—to launch an operation to seize Pailin from the PDK. They think that if they use such military forces to seize Pailin from the PDK, they will be able to win militarily, politically, diplomatically, and economically, thus turning their bad situation into a favorable one in military, political, diplomatic, and economic fields both inside and outside the country.

This is why some UNTAC leaders have personally taken part in the military offensive to seize Pailin and pay the Yuon and puppet soldiers so that they are willing to fight. Some UNTAC leaders even went to the battlefield to assess the situation and encourage Yuon and puppet soldiers to fight. Some UNTAC leaders in Pailin also carried out activities in search of PDK's whereabouts and even sent puppet officers to Pailin in their helicopter without giving prior notice to the PDK.

Evidence of UNTAC leaders' military activities in collusion with the Yuon and their puppets can be found everywhere, such as in Battambang, Pursat, Kompong Thom, Siem Reap, Kampot, Kompong Speu, Koh Kong, Kompong Cham, and Preah Vihear Provinces. This means that before the Yuon and their puppets [words indistinct] PDK zone, UNTAC leaders were already there to launch activities near or inside the PDK zone. In another case, when the Yuon and their puppets were attacking the PDK and especially when they were exhausted from the fight, some UNTAC leaders would go by car or helicopter to assess the PDK's strength and seek ways to save the Yuon and puppet troops from being routed.

The dispatch of convoys of troops, tanks, artillery, multiple rocket launchers, and ammunition through Routes 5 and 6 via large and small towns in Kompong Thom, Kompong Chhnang, Pursat, and Battambang Provinces had all been arranged by UNTAC leaders.

VI. The PDK and NADK would like to inform the national and international public of their condemnation of the military activities launched by UNTAC leaders in cooperation with the Yuon aggressors and their puppets. This is to prevent the Yuon, their puppets, and UNTAC leaders from launching more deceitful propaganda to fool the national and international public.

The PDK and NADK realize that if the UNTAC leaders' gradual participation in the military activities of Yuon aggressors and their puppets is not checked in a timely manner, it will be tantamount to activating the flames of war. Instead of carrying out their mandate assigned by the United Nations to end the Yuon war of aggression and seek peace for Cambodia, UNTAC leaders have turned to joining hands with Yuon aggressors and their puppets in kindling the war in Cambodia. Are such activities in line with UN Charter? Are they in line with the 23 October 1991 Paris agreement clearly stating and instructing them to end the Yuon war of aggression in Cambodia and seek peace so that there will be stability in the region?

These are evil activities and dark schemes carried out by allies inside and outside UNTAC in coordination with Yuon aggressors and the traitors and puppets to kill the Cambodian nation and people as HRH Prince Norodom Sihanouk, head of state and chairman of the SNC, mentioned clearly in his 13 and 14 January statements: Yuon aggressors, Yuon puppets, and UNTAC are to be held responsible for the failure to achieve independence, sovereignty, and territorial integrity for Cambodia, and for all sorts of fascist, terrorist, and cruel acts against Cambodian people and various political parties, such as FUNCINPEC and the Buddhist Liberal Democratic Party.

V. The sacred aspiration of the Cambodian nation, people, national resistance forces, and peace- and justice-loving countries across the world is for all parties concerned to strictly abide by and implement the 23 October 1991 Paris agreement correctly and thoroughly, particularly the following important clauses:

A. To hand over the role to the SNC so that it can carry out its tasks as the legitimate body and sole source of power in Cambodia during the transitional period.

B. UNTAC and the SNC are to jointly supervise the total withdrawal and non-return of all categories of Yuon aggressor forces from Cambodia.

C. UNTAC and the SNC are to jointly control the five key ministries.

Entering 1993, it remains a multiform struggle to implement the 23 October 1991 Paris agreement. This is because only when this agreement is implemented correctly and thoroughly, particularly the above-mentioned important points, can peace and security be restored in Cambodia.

But if Yuon aggressors, Yuon puppets, and UNTAC leaders keep implementing the fake Paris agreement with the aim of smashing Cambodian national resistance forces, particularly the PDK, and thereby destroying the Cambodian nation, people, and race, the Paris agreement, UNTAC, and peace in Cambodia will certainly become more acute problems.

How to solve these problems? These are questions dominating the first quarter, first half, and even all of 1993.

[Dated] 10 January 1993
[Signed] The spokesman of the NADK.

SPK Interviews CPP's Chea Sim 7 Jan

BK0801124993 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 7 Jan 93

[SPK correspondent's 7 January interview with Chea Sim, chairman of the Cambodian People's Party Central Committee, National Assembly, and Kampuchean United Front for National Construction and Defense's National Council, on the 14th anniversary of the 7 January national day—read by announcers]

[Text] [Correspondent] On the 14th anniversary of the 7 January national day, do you, the chairman of the Cambodian People's Party [CPP], have any impressions of the significance of this historic day on national rebirth, peace, national reconciliation, and development of Cambodian national society?

[Chea Sim] The Cambodian people nationwide will never forget the historic day of 7 January 1979, when they and the nation were saved from the Khmer Rouge genocide. Our people regard the CPP's mission of national salvation as memorable and sublime and one to which they will always be grateful. Everyone knows that in that darkest epoch of the Cambodian people, only the CPP dared to stand up and fight to topple the dictatorial genocidal regime, thus liberating the nation and people and enabling them to live till today.

The 7 January victory has turned a new golden page in Cambodia's history, creating favorable conditions for the CPP, the Government of the State of Cambodia [SOC], and Cambodian people nationwide to jointly rebuild their land from heaps of ashes, and the adverse consequences left by the Khmer Rouge's dictatorial and barbarous rule of three years, eight months, and 20 days.

These efforts made with lofty sacrifices in the past 14 years have thwarted the return of the genocidal danger. It has enabled our national society to revive all fields, including the rights and freedoms of religious belief and respect for human rights, and has enabled our people to enjoy a more stable life. They are pleased and secure in being able to lead their lives and earn their living peacefully until today. That day of 7 January has also created favorable conditions for our national society to enter into a new stage of national reconciliation to bring happiness and peace to our motherland and end our people's misery, suffering, poverty, and difficult life. Based on the ideals of national reconciliation, the CPP and SOC Government, with the support of the international community, have made every effort to implement every point of the Paris agreement which was signed on 23 October 1991.

Briefly speaking, we can say that without the date of 7 January 1979, there would be no today. This means that in addition to the over three million who died unjustly due to the genocidal acts, no one could know what would have happened to the rest, because the entire Cambodian nation was in total darkness, and no one expected to see any light of freedom. For this reason, in whatever circumstances, the 7 January spirit will always rest in the heart of every Cambodian as a symbol of the historic victory that peace has won over barbarous, genocidal acts, of our nation's wonderful rebirth, and of hope and confidence in the bright future of our motherland.

7 January has been inscribed in the glorious history of our Cambodian motherland. Civilized and progressive people across the world and the international community recognize the importance of this historic day, which is a significant contribution to human rights, democracy, and social progress and peace, stability, and development in Southeast Asia.

[Correspondent] How do you assess the implementation of the Paris agreement to date?

[Chea Sim] When the Paris agreement was signed on 23 October 1991, all Cambodians inside and outside the country were very happy. They firmly believed their beloved motherland had achieved the genuine peace they have long hoped for. After 23 October 1991, the CPP and SOC Government, the initiators of the national reconciliation policy who dared to make numerous concessions to achieve this peace plan, made all-out efforts to sincerely and correctly implement all the provisions of the peace agreement, particularly they have upheld and created favorable conditions for his royal highness [HRH] Prince Norodom Sihanouk in his historic mission for national reconciliation, restoration, and development. (?We) have given our full cooperation to UNTAC [UN Transitional Authority in Cambodia] and all parties concerned to firmly advance the implementation and achieve genuine and correct results as planned.

In the past over one year, although there were several major obstacles, some primary results have been achieved in the implementation of the peace agreement that have blazed the trail toward national reconciliation, social development, and upcoming general elections. These were the repatriation of refugees and Cambodians living abroad, the voter registration, enlargement of the multiparty system through the formation of new political parties, the availability of aid for Cambodia's restoration and development, and the mine-clearing. Difficult and complex problems also arose together with these constructive results, because the Khmer Rouge refused to enter the second phase of the cease-fire, which is the key phase in the implementation of the peace agreement, and move on to a free, correct, and fair election conducted under a neutral political atmosphere. Not only have they refused to implement the agreement, they have also committed serious violations, thus hindering the implementation of the peace plan and causing numerous repercussions for our people and national society. These repercussions add more weight to the already heavy burden the SOC side has to shoulder and overcome, with great patience.

Until now, although the international community, particularly UNTAC, has repeatedly tried to persuade and encourage them to rejoin the agreement's implementation, they have ignored this goodwill and have gone on to grossly violate the UN Security Council resolution. Their latest stand clearly shows they will not listen to anyone or accept the goodwill of the international community and our people's sacred desire to achieve a quick peace and eliminate misery, suffering, poverty, and difficult life. They have continued to ignore the chronic tragedy that has dragged on for more than two decades. Worse, they have escalated their cruel and barbarous acts against our people through attacks, banditry, threats, intimidation, and merciless killing. Moreover, they have tried to incite unrest in cities and towns by carrying out political terrorism and instigating racial hatred. This has created more complex obstacles to the maintenance of a neutral, political atmosphere with all kinds of blame being put on the SOC, the host.

The Khmer Rouge's real aim is to turn the attention of the international community and the nation away from their intransigence, i.e. their refusal to implement the peace plan and their stalling of the implementation, to the concern over stability, public order, and social safety. They have even launched systematic activities against UNTAC, such as taking UNTAC forces hostages, and attacking their cars and helicopters.

But the SOC party still believes that various political forces will place national interests above all else and that the international community will certainly not allow the agreement to remain stalled, and will strive to speed up the peace process in Cambodia toward its final goal.

In this belief, the SOC is still firmly determined to cooperate more closely with UNTAC and other parties concerned to advance toward the upcoming general elections, even if the Khmer Rouge will not implement the peace plan.

[Correspondent] What is your opinion on the implementation of the Paris agreement to advance toward the upcoming elections?

[Chea Sim] The Paris agreement is the collection of the fruits and feats of the great efforts made through the difficult and complex struggle by the international community and the four warring Cambodian factions. At present, it is every Cambodian's only ray of hope for opening a new epoch of happiness, peace, and national development in line with all their sacred aspirations. Thus, the implementation of this agreement is the only suitable means to end the conflict in Cambodia.

Judging from the above, I am convinced that through their past and future resolutions, the international community and all parties that really want to implement the agreement will successfully overcome all obstacles and lead it to the goal on this final stretch. The CPP will continue to make all possible efforts toward this goal. The SOC party pledges to continue cooperating closely with UNTAC, all factions, and other political parties to implement all provisions of the agreement. However, our deepest concern is the position of the Khmer Rouge, which do not seem to be willing to return to the peace process. They will certainly continue to violate and hinder the agreement's implementation.

Although the election can be held without them, they will certainly do their best to prevent its smooth process. Therefore, the SOC, the important faction and host in the implementation of the peace agreement, proposes that the UN and the co-chairmen of the Paris conference institute a clear and strict measure to force the Khmer Rouge to rejoin the agreement. If they continue to commit the violations, we propose that they be thrown out of the Cambodian peace process. This is because if we keep them in, all they will do is hamper the implementation. It is very reasonable and wise not to let the fate of the Cambodian peace plan that is linked to the destiny of the Cambodian people become hostage to the Khmer Rouge.

Availing myself of this occasion, I would like to launch an appeal to all political parties to take part in the upcoming free and correct elections. If they really want to settle the internal conflicts and serve national ideals and our people's happiness, they should not do anything to encourage the Khmer Rouge's intransigence. They should also not cooperate with them directly or indirectly in exchange for political or any other favors.

In sum, no matter how the situation develops, the CPP is still optimistic that the peace process will see through the most difficult and complex phase and advance toward its goal. The CPP will do anything to achieve this goal.

[Correspondent] What is your opinion on the presidential election's being held before the constituent assembly election?

[Chea Sim] This proposal is a responsible and realistic initiative with the destiny of the motherland and people in mind. The CPP and SOC Government made this proposal in July 1992 following a thorough assessment of the situation and the possible future changes. We found out this is the best and most crucial way to avoid the worst circumstances and eventualities that might arise from the changing situation, in which the Khmer Rouge might,through sabotage, cause chaos prior to, during, and after the constituent assembly election. They are the main force sabotaging the Paris agreement and instability.

Our main aim here is to ensure political stability, public order, and national reconciliation, and to avoid an impasse in the establishment and trasfer of power to a new government. This is because the period during the formation of a new government, after the constituent assembly election, might be volatile for the state authorities, and might be a breeding ground for opportunistic forces. If we look at the latest developments, we can see that this proposal is even more appropriate as a way to cope with any eventuality, especially if the Khmer Rouge refuse to participate in the general election, and continue to sabotage the poll.

I stress again that the CPP fully supports the candidacy of HRH Prince Norodom Sihanouk, father of the nation, head of state, chairman of the Supreme National Council, and father of the Cambodian national reconciliation. This is because his royal highness is the only outstanding leader who can bring our nation toward the shore of peace, away from a protracted war and all obstacles and disasters in the future.

Leaders Greeted by SRV Counterparts

BK1001084893 Phnom Penh SPK in English 0409 GMT 10 Jan 93

[Text] Phnom Penh SPK January 10—Cambodian leaders have received greetings from their Vietnamese counterparts on the occasion of 14th national day of Cambodia (January 7).

In a letter jointly signed by Le Duc Anh, Nong Duc Manh, and Vo Van Kiet respectively president of the State Council, chairman of the National Assembly, and chairman of the Council of Ministers of Vietnam and sent to their respective Cambodian counterparts, the Vietnamese leaders said the Cambodian people this year celebrated their 14th national day at the time when they were struggling to implement the Paris peace accord and to achieve national reconciliation so as to bring the country peace, independence, neutrality, and nonalliance and have relations of friendship with all countries in the world, especially with the neighboring countries.

Vietnamese leaders brought out the multi-faceted achievement recorded by the Cambodian people over the past 14 years which, they said, had contributed to the peaceful settlement of the Cambodian problem.

"The Vietnamese people, who have had time-honoured tradition of friendship with the Cambodian people will, in the new stage, do their best to strengthen the relations of friendship and cooperation between the two countries on the basis of respecting each other's independence, sovereignty, territorial integrity, and mutual interests for peace, stability, and cooperation in Southeast Asia and in the world as a whole," they said.

On the same occasion Vietnamese Foreign Minister Nguyen Manh Cam also greeted his Cambodian counterpart, Hor Namhong.

Indonesia

Miyazawa Arrives on 3-Day Official Visit

BK1101094893 Jakarta ANTARA in English 0916 GMT 11 Jan 93

[Text] Jakarta, Jan 11 (OANA/ANTARA)—Japanese Prime Minister Kiichi Miyazawa arrived here Monday afternoon to start a three-day official visit to Indonesia as part of a tour to four ASEAN countries including Malaysia, Thailand and Brunei Darussalam.

Greeted by Foreign Minister Ali Alatas at the airport, he was later honoured with a 19-gun salute in a military ceremony attended by President Suharto and Vice President Sudharmono at the Merdeka Palace [Presidential Palace].

The 73-year old Japanese leader brought an entourage of 67 government officials and 44 journalists.

Before attending a banquet hosted by President Suharto at the State Palace Monday evening, he is to pay a courtesy call on Vice President Sudharmono at the Merdeka Selatan Vice Presidential Palace.

His talks with President Suharto on bilateral, regional and international topics will be held on Tuesday. He will meet later in the day first with members of the Japanese community in Indonesia and then with members of the Association of Japanese Alumni (Persada) which gathers Indonesians who had one time or another studied in Japan.

Miyazawa will leave Jakarta for Kuala Lumpur on Wednesday to continue his ASEAN tour.

Reports from Tokyo had said, in his first tour to Southeast Asia Miyazawa would present a proposal for new model of cooperation between Japan and ASEAN countries, particularly in the construction of inter-state transportation networks.

He is also expected to support the idea of a multilateral program to support Japan's bilateral assistances.

Japanese press reports said he would also discuss the problem of a new, post-cold war direction for security efforts in the Asia Pacific region.

Miyazawa is touring ASEAN only a week from Bill Clinton's inauguration as U.S. President and close to the hosting by Japan of this year's G-7 (group of seven industrial nations) summit in Tokyo.

Suharto had talks with Miyazawa in Tokyo in September last year during his latest visit to the country of the rising sun.

KYODO Reports

OW1101081093 Tokyo KYODO in English 0750 GMT 11 Jan 93

[Text] Jakarta, Jan. 11 KYODO—Japanese Prime Minister Kiichi Miyazawa arrived in Jakarta by special plane Monday on the first leg of an eight-day tour of four Southeast Asian countries.

Through the tour which will also take him to Malaysia, Thailand, and Brunei, Miyazawa hopes to symbolize the importance Japan attaches to the region in its diplomacy, officials said.

The four countries Miyazawa is visiting are all members of the Association of Southeast Asian Nations (ASEAN), which also includes the Philippines and Singapore.

During the tour, Miyazawa is expected to sound out the prospects for a bigger political role for Japan in the region, and propose new ideas on cooperation between Japan and the ASEAN nations, including a framework for a regional security dialogue and a program to help build regional infrastructure such as cross-border transportation networks.

Later Monday, Miyazawa will attend a dinner at the state palace hosted in his honor by Indonesian President Suharto after a welcoming ceremony at the nearby Merdeka (Independence) Palace.

The two leaders are scheduled to have two hours of talks Tuesday.

Suharto is expected to renew his call for Indonesia, as chairman of the Non-Aligned Movement, to be allowed to attend the Tokyo summit in July of seven major economic powers. The Indonesian leader first made the request during a Tokyo meeting with Miyazawa last September.

Miyazawa will fly to Kuala Lumpur on Wednesday before proceeding to Thailand and Brunei. He will return home on January 18.

Commenting on Miyazawa's visit, the English daily JAKARTA POST said in its Monday editions that Japan must offer "stronger assurances" that it will not sacrifice the interests of other countries in pursuing a greater international role.

"In the past, we have had doubts about Japan's intentions," the newspaper said in an editorial. "Many of us even had difficulty fathoming what was really in Japan's mind."

The recent secrecy-shrouded Japanese plutonium shipment from France raised "major doubts" in many Asian and other countries, the editorial said.

"The most disturbing question raised was: How far would Japan go in sacrificing the interests of other countries for the sake of ensuring its own?" it said.

"That Japan should play a greater international role needs no mention. What we need, however, is stronger assurances, backed by action."

Visit To Reassure ASEAN

BK1101101693 Jakarta ANTARA in English 0923 GMT 11 Jan 93

[Text] Jakarta, Jan 11 (OANA/ANTARA)—Japanese Prime Minister Kiichi Miyazawa's three day visit to Indonesia from January 11 to 13 is aimed at reassuring people about Japan's military and political role in the ASEAN region, said an expert.

Dr. Lie Tek Cheng, an expert on East Asia issues told ANTARA here on Monday that ill-feeling towards Japan due to its former colonialist role in the ASEAN region remains despite many of the region's leaders expressing their support for Japan's new role.

Japan would feel uneasy if its political and military role in the region is portrayed as the beginning of Japanese control on ASEAN member countries, he said.

Lie said that the large increase of Japan's military budget is aimed at freeing the country from U.S. dependency and building national self-confidence.

It is normal for a successful country like Japan to build up its defence system. Any country which experiences rapid economic growth would do the same, Lie added.

He said that the fear of ASEAN countries of a revival of Japan's military is also normal, adding that Japan should mitigate such fears by explaining the reasons for the increased military spending.

Miyazawa's tour is the first trip to the region by a Japanese prime minister since his predecessor Toshiki Kaifu visited Malaysia, Brunei, Thailand, and Singapore and the Philippines in 1991.

During Miyazawa's visit to Indonesia which begins on Monday President Suharto is expected to reiterate a request made during his visit to Japan in September to attend this year's Group of Seven (G- 7) summit in Tokyo in July.

Suharto Presents Draft State Budget

BK0901102993 Jakarta TVRI Television Network in Indonesian 0339 GMT 7 Jan 93

[Speech by President Suharto on the Draft 1993-1994 State Budget delivered at the opening of the House of Representatives in Jakarta on 7 Jan—live]

[Text] Peace be upon you, honorable speaker, vice speakers, and members of the House of Representatives, ladies and gentlemen, guests, and fellow countrymen.

Today, with a deep sense of joy, I fulfill the honorable Speaker's request for me to present the 1993-1994 draft state budget. Being the president, I regard the presenting of the draft state budget as one of the most important constitutional duties that I have to do.

Before I deliver the draft state budget, I would like to take this opportunity to wish the honorable members of the House of Representatives a happy New Year. I hope that this new year will bring us health and prosperity so that we can render our utmost service to our developing nation and the people.

While Christmas joy is still being felt, I would like to wish all Christian members of the House of Representatives and guests present a merry Christmas.

Honorable Speaker: The 1993-1994 draft state budget that I am going to present to the honorable House of Representatives today is very significant and strategic for the overall progress and development of our nation. Included in the 1993-1994 draft state budget will be things that we shall do together as a nation in the final year of the current fifth Repelita [five-year development plan]. Actually, we will enter a year that can be described as a historic year of foundation, one which will determine our ability to complete the first 25-year long-term development program. In view of this, during this final year of the fifth Repelita, we should take strategic steps to prepare a solid framework for development so that we are absolutely ready when entering the launching era. The strategic steps may appear to be heavy steps, but by making an even distribution of development today, the flow of our future development program will be faster.

The focus of our attention continues to be on economic development. However, the development of one nation also means that we must develop all aspects of life. A defective development program will result in the backwardsness of development in one field or other. So in presenting the draft state budget for the final year of the current fifth five-year development plan, I wish to call on all Indonesians to take a close look at the condition of our nation now. We have a clear objective on how to implement our development program. Therefore, with a clear objective, patience, and a sense of high responsibility we are going to improve and expand all our past good experiences and gain more in the future. In line with the definition of development continuity, all uncompleted development projects from preceding years will be continued and whatever policy went wrong in past years will be put in the right direction. We must be brave to make corrections and to refresh and to develop the positive things for the future.

The target of the first phase of our long-term development plan was to consolidate a very solid base for national development which will enable later national development programs to follow suit, thereby making remarkable growth and expansion. The solid base also refers to our strong basis of ideology, political, economic, sociocultural life, and national defense. The basis of our ideology and politics is now strong enough for the development of our nation because it is supported by the spirit of nationalism that emerged from the beginning of the 20th century and from the experience that we learned from the ups and downs in our struggle to develop a new country. Full of patience, caution, and dedication, we have formed a national consensus in simplifying state regulations and carefully implementing the Pancasila ideology and the provisions of the 1945 Constitution.

The country has held general elections five times under the 1945 Constitution. With all the existing shortcomings, the highest state legistive body and the states' high executives carry out their functions as effectively as possible and maintain mutual contacts as required in the provisions of the 1945 Constitution. We have a very strong confidence that every individual, each group, and all followers of religions have a legal right in our nation and society that is based on Pancasila ideology.

Matters relating to national interests no longer create any difference of opinion among us; instead, the differences that exist among the people and among the members of the House of Representatives and the People's Consultative Assembly are over the ways to implement an effective development programs. However, whatever the subject or dispute creating differences of opinion, this can no longer shake or break the people's cohesiveness. We cherish all these achievements very deeply. With a sense of grief, we see how some nations are facing the threat of civil wars, ethnic conflicts, and hostility. These will bring nothing other than backwardness, disunity, and an endless misery to their peoples.

With God's will, we have achieved progress from the success of national development efforts. Now that we have a higher standard of education, our vision is becoming wider and we are able to receive more information. Let us pay more attention to efforts to continue to strive for the advancement of our political development, to further nourish the existence of democracy, to observe basic human rights, and to uphold law and order.

In my recent year-end nationwide address to Indonesians, I stressed that Indonesia—a nation which had been freed from the shackles of 350 years of colonialism—has a right to let the world know that we fully understand the meaning of democracy and human rights. The spirit of democracy and human rights have been absorbed into every aspect of our 1945 Constitution in our struggle for national independence. Our understanding of democracy and human rights emerge from our own awareness concerning man's stand as being a social and (?rightful) being. Our understanding is based on principles of justice and discipline for every person as accorded in the Pancasila concept.

Our security situation is currently strong. Our national defense and security department depends on our national resilience in facing any form on internal or external threats. Our defense and security forces are not aimed beyond our borders. We have built our forces to safeguard our territorial integrity and state soverignty. Our defense and security forces have proved that they can overcome all existing security threats in our territory.

We have achieved numerous advancements in our sociocultural development in our pluralistic society. Various groups from our multiethnic society have proved their ability to attain a high standard of sociocultural achievements through mutual cooperation and willingness to render assistance to one another, whether in joy or adversity. Therefore, it would be difficult to prevent the emergence of any form of extremism—whether it be carried out intentionally or otherwise—aimed at disrupting the existing intra-group harmony. In trying to counter the emergence of such undesirable efforts, we need to be more vigilant and, more importantly, to be more fair to all levels of society and religions.

Meanwhile, we are currently thriving in an ever-changing world. The existence of the global economic situation depends on new economic forms and sources. Regional groupings are currently sprouting. We should wage an effortless struggle to reactivate the North-South dialogue in the effort toward creating a just global economy. We should not stand, stare, and wait for things to happen. We should embark on a joint struggle with the other nonaligned countries in the effort toward creating a more conducive global economic situation, as called for in the Nonaligned Movement [NAM] conference held in Jakarta last year. As the leader of the NAM, we should continue with all concerted efforts to satisfy and to meet all the decisions made during that conference. With the ongoing process of global economic development, we should also focus our attention on improving our own economic situation through more concerted and tireless efforts. We should embark on efforts to face an ever-increasing competitive global situation in order to attain a desirable and meaningful level in the rapidly changing global economic situation.

Honorable Members, we are entering 1993 in a more confident mood than last year. When I presented the 1992-93 budget speech to the honorable session last year, we were doing our best to curb our over-heated economy. Last year, we also had a high inflation rate and high transaction deficit. Transactional deficit was the major obstacle while the flow of foreign commercial loans was getting nearly uncontrollable. We are grateful and thankful that we were able to sail through 1992 safely. Now, based on the available guidelines, we have been able to chart our 1993-94 budget in a more rational manner due to our improved economic situation. Therefore, we are more optimistic in embarking on our journey in the economic field through the 1993-94 fiscal period. Nevertheless, looking at the past situation, we see that 1992 was not a year without problems and devoid of unpleasant events. While we did not have drought in 1992, we had natural disasters like floods and earthquakes in several places in our country." The disasters greatly affected the people's livelihood and the economy of the affected regions. The recent earthquake which rocked Flores caused huge devastation. Our brothers and sisters in Flores and those in the immediate surroundings suffered heavily. The tragedy created in us an awareness for deep compassion for our suffering counterparts while it also indirectly demonstrated our spirit of goodwill and solidarity as a nation to assist those in dire need of humanitarian assistance. It is very touching and praiseworthy to note that spontaneous contributions of humanitarian assistance in cash and kind flowed in for the unfortunate earthquake victims from every level of society, coming from every corner of our country—irrespective of race, creed or religion. All this proved that there is goodwill and a humanitarian concern in Indonesians. I pray to Almighty God to bestow His blessings upon those who fell victim to the tragedy. I also pray that He would also bestow spiritual and emotional calm upon those relatives who lost their loved ones in the tragedy. Once again, on behalf of all Indonesians and the Indonesian Government, I wholeheartedly wish to convey my heartfelt gratitude and thanks to all the heads of state from various nations and international organizations for their condolences, concern, and rendering of all forms of humanitarian assistance.

In the meantime, even though our national economic activities continue to grow, several circles in the economic sector have not recovered from an ailing state. However, if we look at several other events within a wider vision and broader perspective, the failure to make an economic recovery in these circles still shows that our economic boat is still moving strongly forward.

Generally, our economic development has achieved considerable progress when compared to the previous year. Thanks to several economic policies introduced in 1992, we have gradually reduced the pressures of economic inflation. In 1992, we managed to curb the inflation rate at 4.94 percent. In nearly 25 years of development, we experienced only two occasions where the inflation rate was lower than 4.94 percent, namely in 1971 and 1985. We should take note and continue to maintain this success. We need to continue maintaining price stability becuase inflation will have a negative impact on all aspects of life. Price stability is also a prerequisite for an equal distribution of development achievements that can be enjoyed by all people.

This has strengthened our confidence that the economic deregulation policies we have thus far introduced have indeed borne fruit. It is also evident that our nonoil and nongas exports have gained momentum and our next task is to maintain and strengthen such momentum. We need to continue improving the implementation of the economic deregulation policies in a consistent way and to apply them to the industrial, agricultural, and other sectors, which have not yet received our attention. We must upgrade their supporting infrastructures and boost investment in nonoil and nongas exports.

Similarly to the previous years, the exports of industrial products continue to be the bulwark of our dynamic nonoil and nongas exports. Our nonoil and nongas exports in the coming years will indeed depend on our success in developing domestic industries, which are efficient, productive, and capable of competing in global markets. These include industries which process agricultural and other natural resources. Our efforts to boost nonoil and nongas exports are closely related to our efforts to carry out our industrialization drive, which is capable of being competitive within the country and overseas. Both efforts must be carried out in an integrated strategy.

Our balance of payments also showed an improvement in 1992. When we experienced an overheated economy in 1990 and 1991, our nonoil and nongas imports increased drastically, by more than 30 percent. With the introduction of our monetary policies supported by the move to manage our overseas commercial loans, we managed to curb the growth of the nonoil and nongas imports by 11 percent in the 1991-92 fiscal year.

In the 1992-93 fiscal year, our nonoil and nongas imports grew at 13 percent. With the decline of our imports to a more reasonable level and with our growing nonoil and nongas exports, it is hoped that our export and import level will be more balanced and our current account deficit will be smaller. In the 1991-92 fiscal year, our current account deficit was still substantial, namely, at U.S. $4.4 billion. Our provisional estimate of the current account deficit for the 1992-93 fiscal year stands at U.S. $3.8 billion. As for the 1993-94 fiscal year, if we are able to maintain the momentum of our export and import growth, our current account deficit will further decrease to about U.S. $3.2 billion. This trend shows that Indonesia is now in the process of leading to a more normal level of current account deficit, which we have to sustain in the long term.

Our efforts to coordinate our overseas commercial debts through the PKLN [Overseas Debt Management] team have also borne fruit. As we all know, overseas commercial loans are always accompanied by high servicing rates and short repayment periods. Therefore, if we want to use them, our future balance of payments will be affected. Our overseas commercial loans have grown very fast for the last few years, but in 1992, they appeared to have stabilized and did not show any alarming growth. However, we must not abandon our vigilance and prudence in this matter because an increase of commercial loans will quickly affect our economic performance. It is therefore necessary to check the growth of overseas loans and pay attention to the national priorities for their allocation.

Meanwhile, our foreign currency reserves continue to rise and now stand at U.S. $11 billion. This is a positive develoment in our balance of payments. We have not achieved all those positive results without sacrifice because we are aware from the beginning that we have to adjust ourselves to the unfavorable economic situation. To cool off our overheated economy means that we have to slow down the speed of our economic engine, at least for the time being.

In 1992, while we suffered a slowdown, and even a slump in some economic sectors, we continued to maintain and even to intensify the activities of some other sectors. Our nonoil and nongas exports continued to be robust, as did our export-oriented industrial products. Thanks to the adequate rainfall, our food production was also satisfactory. In 1992, our paddy production increased by 5 percent, but in 1991, it suffered a decrease due to drought in several regions.

Meanwhile, the value of development projects approved in 1992 was lower than the previous year but if these projects are fully implemented, they will be able to support economic activities in the coming years. The value of approved foreign investment in 1992 was higher than the previous year.

The import value of raw material and capital goods, which sustained domestic production and investment in 1992, also went up, even though it was not as high as in 1991, when our economy was overheating. Therefore, 1992 was definitely not a year of economic stagnation. It was a year of adjustment coupled with satisfactory economic growth.

Honorable Speaker, Deputy Speakers, and Members of the House, with the normalization of the economic situation, our two next tasks are: First, we must consolidate the stable economic situation we have achieved; second, we must continue to boost our economic strength so as to move faster without again causing an overheated economy. We want to have a reasonably high economic growth coupled with stability.

As for economic consolidation, the most important thing is our determination to maintain the fundamental principles of managing our macro-economy, which has thus far produced economic stability. I have repeatedly mentioned this on several occasions because macroeconomic stability is an absolute requirement for any success we want to achieve in any economic activity.

The unpleasant experiences of other countries have become good lessons for us. Therefore, it has always been our policy to abide by the principles of a dynamic balanced budget. We must also exercise prudence in spending the state budget. Our monetary policy must also be implemented in a proper manner which also supports the state budget. As such, the amount of money in circulation should always be within safe limits so as to ensure price stability and economic growth. Our policy of accepting foreign loans must be able to provide the greatest support for our development. We must therefore manage our foreign loans in a safe manner, which will not endanger our present and future balance of payments.

Foreign loans that are nonsoft loans should be carefully managed so that they do not surpass safety limits. We must continue to rely on cautious fiscal and monetary policies and foreign loans because they form the important bases for our national economic stability. In view of that, we should continue to steadily implement these policies and use the loans for good purposes.

Honorable Speaker, let me give a detailed explanation of the various steps to be taken to accelerate the pace of our economic growth without having to face the risk of an unstable economy. This is important because within a short period we will be entering the second phase of a long-term development plan. In this very crucial phase, our national economic growth should be able to support more rapid national development growth without overheating the economic machine. This means, every element of the economic development needs to be improved to enhance productivity and long-term economic efficiency. All signs that would challenge our economic development should be overcome to ensure that our economic resilience continues to be consolidated. There should be a harmonious coordination between economic stability and economic growth. For this purpose, there are several fields that priority will be given to:

1. The construction of infrastructure, such as electric and telecommunications facilities, ports, and roads, to support rapid economic and development activities. New basic infrastructure facilities will continue to be built and this will obviouly require a huge budget allocation. Meanwhile, we will continue to modify, to systematically maintain existing facilities, and to get rid of programs that waste government funds. We have to get rid of the habit of being eager to launch new projects where existing projects are not well utilized and are not being properly maintained. Such a habit or attitude will only be wasting the government's funds.

Considering the high price that we have to pay for the construction of these infrastructures, business circles and the people in general are encouraged to participate in the development, use, and maintenance of these fruits of our development. The people need to be reminded of the sense of common ownership of the infrastructure facilities. This sense of common ownership would create in them the urge to carefully maintain, to protect, and to pay the costs of government facilities.

2. Human resources development. This is the key to the success of economic development. We are in dire need of skillful, creative, and highly disciplined manpower in every sector for all levels. The required human resources should be made available so that the flow of our economic development will not be obstructed. Such human resources should be trained from the very beginning of their school years.

We have to intensify efforts to improve the standard of education in our country. For example, in efforts to develop the aforementioned infrastructure facilities, we need close cooperation and a mutually complimentary rapport between the government, businessmen, and the people in order to accelerate improvement in the quality of human resources.

3. Development of technological know-how. Advanced technology will ensure an increase in the economic productivity continuously. Economic development that is capable of improving national technology will be able to grow rapidly. We should introduce development in technology that is related to the development of education, industry, agriculture, trade, infrastructure facilities, and so on.

4. To increase national financial resources for development funds. We need to prepare a large fund to finance development activities that are implemented by the government and business circles as well as by the people. We should spend the development fund wisely and within safe limits so that our domestic revenue will likely face very little risk. This means the state savings, which are composed of government savings and the people's savings, should be increased. We must also realize that we have to be brave to bear the consequences of our monetary policy.

To boost state savings, we must increase tax collection in a just and effective way. Subsidies must be limited to absolutely necessary things and the existing budget must be utilized as effectively and efficiently as possible. To boost public savings, the government will continue to improve its policies aimed at this objective. We must promote an atmosphere which encourages public savings. However, in the long run, it will all depend on the public attitude toward a simple and thrifty life. If we want to become a self-sufficient and future-oriented nation, we must learn to lead a simple and thrifty life.

Fifth, we must continue to promote and renew our institutions, including the regulations to upgrade the ability and efficiency of all state apparatuses and institutions which carry out such regulations. State institutions which are able to function in an orderly, efficient manner and which are sensitive to the public demands will be able to support the rapid pace of economic growth. An important element in the renewal of the institutions are our economic deregulation and debureaucratization policies, which are aimed at completely removing the source of a high-cost economy.

Honorable session, such are our economic situation and problems which we have to cope with. The 1993-94 draft budget which I am presenting to the honorable House today is based on an analysis of the economic situation and the framework of ideas I have just presented. This draft budget is formulated so as to benefit from stabilized prices and also maintain a healthy balance of payments. Economic prudence as well as a balanced and dynamic budget will continue to be our action guideline.

In the coming year's budget, we will try to move faster. What is no less important is that the 1993-94 budget is formulated with clearer priority targets aimed at greater distribution of development. Under such guidelines, please allow me to explain the salient points of the 1993-94 budget as follows:

The state revenues are projected to stand at 62.3 trillion rupiah, an increase of 11.1 percent from the 1992-93 fiscal year. More than 52.7 trillion rupiah, or 84.7 percent of the total state revenues, will come from domestic sources, while the remainder, namely, about 9.6 trillion rupiah, or 15.3 percent of the total revenues, will come from development revenues. In the current 1992-93 fiscal year, the corresponding composition is 82.9 percent from domestic sources and 17.1 percent from develoment revenues. As such, the 1993-94 budget constitutes a step toward self-sufficiency in our efforts to finance our development. Such state revenues will be used to finance routine expenditures worth 37.1 trillion rupiah and development expenditures worth 25.2 trillion rupiah, or a ratio of 59.5 percent against 40.5 percent.

Another important characteristic of the 1993-94 budget is related to state savings, which constitute a surplus of the domestic revenues against the routine expenditures. For the 1993-94 fiscal year, state savings are projected at nearly 15.7 trillion rupiah, which means that 29.7 percent of domestic revenues can be put aside as state savings. In the 1992-93 fiscal year, domestic revenues put aside as state savings stood at 28.6 percent. State savings constitute a source for development expenditures. In the 1993-94 fiscal year, development expenditures financed by state savings stand at 62.1 percent and 58.1 percent in the 1992-93 fiscal year. We are encouraged by the fact that since the beginning of the fifth Five-Year Development Plan, state savings have continued to expand. These are indeed concrete steps toward self-sufficiency in our development. The projected amount of state savings at 54.3 trillion rupiah during the five years of the fifth Five-Year Development Plan will hopefully be achieved.

Honorable Speaker, a more detailed explanation is as follows: As I said earlier, domestic revenues will stand at 52.7 trillion rupiah, about 15 trillion rupiah of which will come from oil and gas revenues and more than 37 trillion rupiah will come from nonoil and nongas revenues. Compared to the current 1992-93 budget, oil and gas revenues will increase by 8.5 percent. I must state here that the 1993-94 budget is based on the global oil price at U.S. $18 per barrel. We consider this figure as the average, realistic price of Indonesian crude oil in the global market.

Domestic revenues from the nonoil and nongas sources are projected to increase by 15 percent. The fastest-growing revenues come from income tax, which are projected to increase by nearly 36 percent. Such a high increase will be achieved by boosting the number of taxpayers and improving the administration of tax collection. Another important source of tax revenue is the value-added tax, which will increase by 5.9 percent. This source is related to the projected revenue of the current 1992-93 fiscal year.

Revenues from land and building taxes will increase by more than 33 percent while nontax revenues will increase by about 23 percent. But other nonoil and nongas revenues, namely, import duties, export taxes, and other kinds of tax are not expected to increase significantly from the current 1992-93 fiscal year.

Honorable session, the draft national budget which is presented by the government also includes an income of about 210 trillion rupiah derived from petroleum dividends. The dividends derived from petroleum are not the government's major objective in planning this draft national budget. After very thorough and careful deliberations and with a feeling of responsibility concerning the problem of the petroleum subsidy, which is obtained from various sources, the government finally decided that the petroleum subsidy should be abolished. In other words, the sale price of petroleum should be raised. Please allow me the opportunity to clarify the dcision taken by the government. We should view this difficult issue by taking into consideration our national development process, which is to be implemented within a medium- and long-term period.

On numerous occasions, I have reminded everyone that we are still facing numerous internal problems—particularly the internal energy problem. We are fully dependent on natural gas as our source of energy. Of late, 64 percent of our energy comes from natural gas. We have undertaken numerous efforts to tap other sources of energy such as coal, natural gas, hyrdopower, solar energy, and so on. But rapid consumption of alternative energy sources could not meet the rapid and huge demand for energy. This is due to the rapid development in the public sector and also in our industrialization program. With the current high energy consumption, we could become an importer of natural gas instead of an exporter by the end of this century. This means that we still could export natural gas, but on the other hand we would need to import a larger amount of natural gas for our very own high domestic consumption. This would also mean that we need to make a huge financial provision to import natural gas. Thus, our natural gas export income would never again become a major contributor to our national income or be a foreign exchange earner.

This would pose a major change in our economic stance. Therefore, from this moment, we should undertake all the necessary preparations for facing such a problem. We would only be able to sustain our economy through such a measure and our earnings would then come from the export of nongas commodities for our national income. As such, from now on, we should utilize energy as a common commodity and the price should be in line with the global market prices.

We should implement expeditiously and immediately the careful utilization of energy from natural gas. The careful utilization of such energy, among other things, will greatly influence the fuel price. Besides, our fuel supply, which is continuously increasing, could not meet the demand even though our petroleum production plants have been operating at maximum level. We are currently importing the needed fuel for local consumption. The sale price of fuel in the country is totally different from the price of the imported commodity. This has greatly increased the subsidy for the commodity. As a result, the fuel subsidy rose tremendously. When there is no increase in the fuel price, our subsidy would possibly reach up to about 3 trillion rupiah. Thus, this problem further hinders us from making any further developments; whereas, during the national development take-off era, we should further broaden and hasten the developments aimed at further providing the people with better conditions. We should further enhance our economic stance based on a much stronger basis of being self-reliant and self-sufficient.

The government, in its decision to raise the price of natural gas, has constantly taken into consideration the repercussions it would create on the wide masses—particulary those in low-income groups. That is the reason why the price of natural gas will be much lower than the production cost. The loss will be counterbalanced by the income derived from the other oil sectors such as premium grade petroleum, which is widely consumed for personal vehicles. Meanwhile, the government has taken measures to substitute briquetted coal for natural gas to meet the household demand. The cost of the briquetted coal is cheaper compared to the price of natural gas. Its price is very competitive compared with the price of local coal or firewood. By implementing such a measure, we could totally eliminate the problem of the natural gas subsidy. Apart from this, the production of briquetted coal will pave the way toward the establishment of more coal industries, which would in turn provide more employment opportunities. We should make efforts to ensure that local households—particularly in the rural regions—utilize briquetted coal as a substitute for natural gas by the end of the decade. This would be a great task to embark upon. Therefore, I call upon the people to support this idea.

The rise in the price of natural gas will be followed by the increase of electricity tariffs and transportation charges. The government hopes that with these increases, the prices of the other commodities will not reach unestimated heights. Our production of necesary commodities which cater to local needs are sufficient and our industries are considered efficient. The government will only raise the price of natural gas at an appropriate time. It is very difficult for me to make this decision but I realize that if such a decision is delayed, this will be only tantamount to putting off solving a difficult problem until a later time. Whatever approaches we may later embark upon, it will definitely prove to be more difficult. The national income is also allocated for development and other projects. I shall now outline the state expenditure.

Honorable session, similarly to previous years, the national expenditure is allocated for routine and development expenditures. The routine expenditure is used for the wages of government officials, purchase of equipment, payment of interest and debts, and other routine expenditures. The expenditure is utilized effectively and efficiently. The total routine expenditure will amount to about 37 trillion rupiah or an increase of nearly 12 percent from the present alloaction. The government apparatus shoulders a heavy responsibility in ensuring the smooth flow of the government machinery, providing development and better services to the people, who are becoming more dynamic. That is why the government is constantly making efforts to further improve the living standards of the government officials and the ABRI [Armed Forces of Indonesia] personnel. Such an improvement is aimed at producing a more efficient and clean apparatus—an apparatus which is more capable in and more accountable for its responsibilities. In this aspect, the government has decided to revise the basic wage scale of every government official and ABRI personnel. With the revision of the salary scale, the first and second echelon government officials will receive an average 18-percent rise [appalause] while the third and fourth echelon counterparts will receive a wage rise of about 12 percent. Pensioners will also receive higher pension dues along with the revision of the salary scale. Those in the structural and functional departments, such as teachers, will also receive benefits. The wages of the national leaders and members of parliament will be greatly increased. [applause] Honorable brothers, the revision of the pay scale will be effective from January 1993. [applause]

The government will also embark on more important steps toward improving the civil servants living conditions. The government will provide living quarters for serving officials and they will contribute a low percentage of their wages according to their rank for the living quarters. The routine expenditure toward the purchase of equipment will definitely increase. Among other things, this would greatly assist the government apparatus in providing better services to the people. The subsidy for the autonomous regions will also increase—particularly for district officials' revised salaries. The other big routine expenditure is allocated for the repayment of interest on foreign loans and debt repayment, which would amount to more than 16 trillion rupiah or an increase of about 5 percent from the current amount.

Honorable session, similarly to previous years, allocations for development in 1993-94 fiscal year is given top priority—that is, the allocations are directed toward the development of more basic infrastructure, basic education, human resources, operational and maintenance costs, elimination of poverty, and regional development. The huge allocations provided reflect the priorities afforded to the five sectors.

First, the allocation for the communications and tourism sectors; second, the allocation for educating the younger generation, national culture and religion; third, the allocation for the development of regional development; fourth, the allocation for mining and energy and; fifth, the allocation for the agriculture and irrigation sectors. These five areas siphoned off more than 72 percent of the total draft state budget. We are fully aware of the important role of communications in keeping abreast with the modern communications trends. Thus, the communications and tourism sector would definitely receive the highest allocation totalling more than 4.6 trillion rupiah. The allocation afforded to this sector is aimed at further developing road networks, which cost more 3 trillion rupiah. The basic objective is aimed at further boosting our economy, widening equal distribution, improving the flow of intra-district communications, and penetrating the more isolated districts. The Presidential Allocation is included in this allocation for the development of the road networks in regencies and provinces. The expenditure would absorb more than 1.3 trillion rupiah. The objective in improving the road networks in these regions is to provide an equi-balance of intra-district development which could influence the economic well-being of people in these regions. The road network measuring thousands of kilometers will be developed. We will improve the capability of land communications through the construction of more railway networks and also increase the facilities for road transportation. As for maritime communications, more ports will be developed in various districts so that bigger passenger vessels can make their port calls. Airports will also be further improved with better facilities to cater to the needs of foreign and local tourists.

The second huge allocation is afforded to the education sector, national culture, and religion. The amount runs up to more than 3.3 trillion rupiah and about 3.2 trillion rupiah from the total amount is directed toward the improvement of elementary education. We will make more efforts next year to further improve the quality of education and all the infrastructure. This indicates our awareness concerning the important role of education in further improving the quality of human resources and in developing a more educated and stronger Indonesia society.

We are aware that the roles of teachers will ensure a better quality of education, and in view of that we will introduce various upgrading and further education programs to improve the capability of elementary schoolteachers. Apart from that we plan to rehabilitate the houses for elementary schoolteachers in all districts, expand libraries and laboratories, and increase library books in schools. As for higher education, activities will be directed at the improvement of lecturers' teaching skills by allocating more funds for postgraduate programs.

The next third large expenditure will go to the development of districts, villages, and jungle areas. The amount will reach over 3.5 trillion rupiah. A large amount of this fund will be handed over to the provinces, districts, and villages under the presidential fund program. This is to encourage the development of autonomous regions, economic development, and equal distribution of development in the rural areas. The total expenditure for this is usually increased from time to time due to its strategic roles. The financial support for the districts has been getting bigger from year to year under the current fifth Repelita. If we compare this with the amount allocated under the fourth Repelita, the total allocation has increased severalfold. For example, under the fourth Repelita, all presidential funds for rural development totalled 500 billion rupiah, whereas under the current fifth Repelita the amount is 1.3 trillion rupiah.

In the 1993-1994 fiscal year all villages will receive a presidential fund amounting to 5.5 million rupiah, representing an increase of 1 million rupiah for every village over the current one. Out of the total amount, 1 million will be utilized for financing women's organizations' activities in the villages.

We are also increasing next year's presidential fund for development activities in the second-level regions. For the first time, the total fund will be 1 trillion rupiah, so that, first, the individual region's administration can independently implement a poverty eradication program. Second, the individual region will have to finance the rehabilitation of houses for estates' schoolteachers. I hope the administrative bodies of the second-level regions will intelligently utilize the aid for facilities that are meant to benefit everyone.

The amount of presidential fund for the provinces will also be increased this fiscal year. The amount is 25 billion rupiah for each province. Besides, there will be extra financial assistance under the program to cater to the needs of the varying sizes of the provinces. As for this year, the extra aid set aside is 108 million rupiah for all provinces. This fund is meant for the support of expenses incurred by development activities to be paid by the provincial administration, including financing for the operation of the irrigation system and maintaining roads. I wish to call upon the provincial administration to allocate sufficient funds for the operation and maintenance of development projects. The facilities that have been developed should be well maintained to fulfill the local goverment's obligation to provide continuing services to the people.

The next fourth large development expenditure will go to the energy and mining sector. This will total almost 3.3 trillion rupiah. A large amount of this budget will be used for building electricity supply generating power stations and the completion of existing power stations for the rural electrification program, which are expected to be completed in 1993-1994. This will also mean additional national electricity power supply increases to 2,218 megawatts. With this it is hoped that the recent frequent blackouts will be lessened. Under this program, about 2,800 villages will receive electricity supply.

In the meantime, agriculture and irrigation continue to receive top priority. This is the fifth large development expenditure. Agro-business remains the key factor to our development strategy. A total of over 3 trillion rupiah is allocated for this sector. Among its main activities are to cultivate paddy on 50 hectares of land, to intensify crops cultivation on unirrigated arable land, to build fishing ports, to implement artificial insemination for cattle, and to provide proper livestock breeding methods to farmers in people's ranches scheme. This sector will also rehabilitate and build an irrigation network covering more than 150 hectares of land in several areas and increase more fish breeding ponds.

Honorable session, as I said earlier, in the 1993-1994 draft budget, one of our priorities is to develop our human resources. The success of this program depends on successful measures to improve other sectors like education, health, housing, resettlement, social welfare, family planning program, workers, transmigration and so forth. The budget allocation for all these programs reaches 6 trillion rupiah, taking up 26 percent of the total allocation of the development budget.

The fund allocated for the development of the health program is over 762 billion rupiah. The main aim to lower the rate of infant and maternal mortality. For this program 11,000 midwives will be posted in the villages and there will be an expansion and improvement of health services in rural areas.

Generally, the improvement in people's standard of health is closely related to the implementation of the people's housing program and resettlement. Basically, it is the people's duty to take care of their housing facilities and resettlement. The government's role is concentrated on special strategic matters that involves drawing up of policies to support the equal distribution of development programs and improving the people's welfare. This has to be done without lessening the potential for housing development. The allocation for the housing program is (?971.5) billion rupiah which is also meant for reducing slum areas and setting up clean water and other clean environment projects in rural areas. It is hoped that in the next fiscal years, more cities, villages, and people will be provided with clean water facilities.

Meanwhile, the transmigration sector would be given about 818 billion rupiah. The budget allocation for national women's social organizations' activities in the national development program will be increased by about 60 percent more than the existing fund. Another important sector is science, technology, and research. Our ability to be efficient in this sector will ensure our success in the second phase of our long-term development era and our aim to place ourselves on the same level as others in more developed nations. The allocation for this sector is about 660 billion rupiah.

Such is the general outlook of the development activities that we will implement in the final year of the current fifth Repelita. Due to time constraints, I am not able to go into details for the other economic sectors.

Fellow countrymen, I used to say that a development program will only be sucessful if all of us cooperate and work together in running the country in line with the broad outline of state policies. Let us do our best to complete all development tasks in the final year of the first phase of a long-term development program, struggle to develop a just, progressive, and prosperous nation as well as the people's welfare in accordance with the aspirations of the preamble of our 1945 Constitution based Pancasila ideology.

Honorable session, thank you for granting me your attention while I explained the 1993-1994 draft state budget. Let us pray to God to bless us for continuity in our future development. Thank you, and peace be upon you.

Minister Discloses Rice Procurement Surplus

BK1001115293 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Jan 93

[Text] Bustanil Arifin, cooperatives affairs minister and concurrently chairman of the Logistics Bureau, says that despite a surplus from the rice procurement drive in 1992 at 2.6 million tonnes from the projected 1.5 million tonnes, the Logistics Bureau will continue to purchase from farmers' paddy grown in 1993 at a floor price determined by the government.

Speaking after he presented 10 units of rice-milling machines to 10 village cooperatives in (Kasiu) village in South Sulawesi, Bustanil Arifin said that despite the surplus, the paddy price will neither increase nor decrease.

Minister Talks With Visiting British Counterpart

BK0801131293 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 8 Jan 93

[Text] Britain has offered itself as one of the gateways to Indonesian products entering the single European market to further intensify bilateral trade. In his talks with visiting British Secretary of Trade Richard Needham [name and title as heard] in Jakarta today, Trade Minister Arifin Siregar admitted that the Indonesian Government had thus far dispatched more of its trade misssions to continental Europe rather than to Britain. At the same time, Britain has rarely taken part in trade fairs or dispatched its trade missions to Indonesia. Besides, British Customs authorities have recently tightened its examination of Indonesian products which enjoy the Generalized System of Privileges system. In this connection, Indonesia does not want to see such a procedure as an obstacle to its products entering Britain.

Laos

Government Bans Transport of Logs From Cambodia

BK1001115693 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 10 Jan 93

[Text] According to a news report from the Foreign Ministry, implementing the Paris accord on Cambodia and UN Security Council resolution No. 792 dated 30 November 1992, based on the proposal of the UN Transitional Authority in Cambodia, or UNTAC, and the 22 September 1992 decision of the Supreme National Council of Cambodia, or SNC, which has requested that various states, particularly those adjacent to Cambodia, respect the declaration on ending the importation of logs from Cambodia in order to preserve the natural resources of Cambodia, the Government of the Lao People's Democratic Republic [LPDR] has issued an announcement ordering that the transportation of Cambodian logs to Laos from Cambodia not be permitted beginning 1 January 1993.

Earlier, on 31 December 1992, the charge d'affaires of the LPDR to Cambodia informed the Foreign Ministry of Cambodia of the LPDR Government decision to completely ban the transport of logs through the Cambodian-Lao border beginning 1 January 1993.

Regarding this, the Foreign Ministry of the State of Cambodia expressed thanks to the LPDR and promised to inform various Cambodian provinces bordering the LPDR and instruct them to urgently implement the decision as well.

LFNC Greets Cambodians on National Day

BK0901142593 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Jan 93

[Text] On 7 January, the Standing Committee of the Lao Front for National Construction [LFNC] Central Committee sent a telegram of congratulations to the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD] in Phnom Penh on the occasion of the 14th anniversary of the establishment of the State of Cambodia (17 January 1979-7 January 1993).

The message reads: On behalf of the LFNC Central Committee and all the multiethnic Lao people, we would like to extend our warmest greetings and best wishes to the National Council of the KUFNCD. Throughout the past 14 years, under the correct leadership of the Kampuchean People's Revolutionary Party, the courageous fraternal Cambodian people have protected and enhanced the traditions of the glorious Land of the Ankor Wat and Ankor Thom. Together with the KUFNCD, Cambodian people have been strongly united, have attained great success, and have contributed to the tranferring of the correct principles for national reconciliation into reality.

On this occasion, the LFNC Central Committee and the multiethnic Lao people would like to praise the efforts for the implementation of peace agreement in Cambodia. May the solidarity and brotherly friendship and cooperation between Laos and Cambodia continue to exist and expand consistently. May all comrades and members of the National Council of the KUFNCD find all the happinesses and achieve successes ad infinitum.

Saravane Province To Face Rice Shortage

BK0801110893 Vientiane KPL in English 0907 GMT 8 Jan 93

[Text] Vientiane, January 8 (KPL)—The total rice harvested in Saravane Province is estimated at 102,613 tons of paddy from the 1992 rainy season rice crop, 14,544 tons from upland rice farming and 761 tons from dry season rice crops. On average, a person will get over 500 kg of paddy.

This was disclosed by Sam Samonti, head of the provincial agriculture-forestry service of Saravane. Last year, Saravane had 32,916 ha [hectares] transplanted rice fields. This included 3,200 ha of intensive cultivation, 7,682 ha of upland rice farming and 298 ha irrigated rice fields.

In general, this southern province is self-sufficient in rice. But Ta-oi and Samouai Districts particularly are predicted to face four months' rice shortage.

Farmers in some favourable localities will be encouraged to practice second rice crop or grow such cash crops as soy bean, maize, melon, and watermelon.

Now, a group of 20 families of model farmers has been set up to grow watermelons and melons commercially.

Shortage in Xieng Khouang Province

BK0901104093 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Jan 93

[Text] Rice production in the past growing season encountered all kinds of problems and obstacles, which resulted in low yields, according to informed sources in the Agriculture and Forestry Service in Xieng Khouang Province.

The dry season rice crops and upland rice farming on a total of 22,263 hectares of transplanted rice fields throughout the province yielded only 32,518 metric tons of paddy—25,812 metric tons below the target. The total rice harvested represented only 59 percent of the target. In conclusion, the multiethnic people in Xieng Khouang Province are predicted to suffer rice shortages for about five months.

Thailand

Soldiers Reportedly Aiding KR Oil Supply

BK0901034893 Bangkok BANGKOK POST in English 9 Jan 93 pp 1, 3

[Text] While the United Nations in Phnom Penh says the ban on exporting logs from Cambodia appears to be working, petroleum products are still being supplied to Khmer Rouge [KR]-held areas, apparently with the help of Thai soldiers, according to a business source. The business source, who is familiar with the border, quoted eyewitnesses as saying the petroleum products have been seen being transported into Cambodia at Ban Pakkard, Bo Rai District Chanthaburi Province, and at Bo Rai Trat, further south.

"I saw petroleum products being bought at a downtown petrol station on Thursday, with mobile tanks brought in tow to transport it," he said, implying the purchase of a large quantity. "I myself have not seen oil being carried across the border but my people have," he added.

The shipments have been seen after 2 a.m., with soldiers apparently helping, he said. He did not give the frequency and dates of the shipments. He refused to be named but said he had been involved in border business for about two years.

The report, which was not corroborated by independent sources, came in response to a high-ranking official's disclosure to journalists that Thai authorities had stopped shipments of oil products to Khmer Rouge-held areas.

The shipments were halted by a UN resolution aimed at making the Khmer Rouge, who have refused to have their forces disarmed or to go into UN-specified cantonment sites, comply with the Paris peace agreement.

Since the resolution, adopted in New York on November 30, set no date for enforcement of the oil embargo, oil shipments from Thailand to Khmer Rouge areas of Cambodia do not contravene the UN sanctions, observers said.

On December 8, the Thai Cabinet instructed the Commerce Ministry to draw up measures to support the UN resolution.

The high-ranking official said the ban had begun ahead of a Commerce Ministry order, the draft of which is reportedly being sent to the Cabinet for approval. The measure could be enforced by provincial governors, another official said.

Although the high-ranking official gave no details on the implementation of the oil embargo, it could have been enforced at checkpoints that are less busy or lucrative than Ban Pakkard and Bo Rai, observers noted. Both these temporary border points are gateways to precious gem mines and logging areas in Khmer Rouge-held territory.

The business source added that he saw with his own eyes defiance by some Thais of the UN-endorsed ban on log exports from Cambodia.

"Logs are still coming in at Bo Rai. I saw this when I was there on Thursday," he said. The moratorium on log exports was initiated by the Supreme National Council (SNC) of Cambodia and came into effect on January 1.

The SNC ruling was endorsed by the UN Security Council as part of stepped-up pressure on the Khmer Rouge who are resisting a procedure that began in mid-June.

Prime Minister Chuan Likphai on Tuesday said there had been no defiance of the ban on log exports, contrary to published photographs purporting to show such violations.

The moratorium also forced the pullout of gem miners. Although gem mining in Khmer Rouge-held territory has not been prohibited, the companies use mining machines that require oil. The business source said all seven gem-mining companies using Ban Pakkard checkpoint were still working in the Khmer Rouge's Pailin area. Another 10 companies—out of the original 30—continue to use Bo Rai checkpoint, he added.

But in Phnom Penh UN peacekeeping spokesman Eric Falt was full of praise for Thai cooperation. Thai authorities have closed the border as tightly as they could, he said.

Some 5,783 cubic metres (202,405 cubic feet) of logs and 968 individual logs were seen crossing the border into Thailand between January 1 and 3, he said. Also, 132 logging trucks were seen waiting to cross. But no logs have been seen crossing since, he said, adding that it appeared private Thai companies had pulled out all their heavy equipment and were abiding by the moratorium.

A much smaller quantity of logs was also spotted crossing into Vietnam and Laos during the first days of the ban, Falt told reporters.

In contrast, the Khmer Rouge has failed to cooperate with UN attempts to enforce the week-old sanctions, said the spokesman for the UN Transitional Authority in Cambodia (UNTAC).

"The (Khmer Rouge) has not granted UNTAC access to their area and we are continuing negotiations with Thai authorities to open border checkpoints," he said. "We have received excellent cooperation from Thailand for the moratorium," he said.

"During the first three days we observed a number of (timber) companies still engaged in illegal crossings of the border," said Falt.

The majority of the log trucks went through CV-1, a checkpoint in Preah Vihear Province near the Lao border from a government-controlled area, the spokesman said.

"Our observers noted most of this traffic was wood felled some time ago and had been waiting for export. A warning was given. Since January 3 it appears all movements across the border through CV-1 have stopped completely," Falt said.

Thai logging companies reportedly stand to lose up to $100 million as a result of the UN sanctions, which could affect the livelihoods of some 100,000 Thais involved in trading with the Khmer Rouge. The Security Council resolution also warned of embargoes on the exploitation of gems and minerals in Khmer Rouge-held zones in southwestern Cambodia bordering Thailand.

Thailand earlier received international criticism over its perceived reluctance to comply with the sanctions.

Loggers Comment on Cambodian Log Ban

BK1101041193 Bangkok THE SUNDAY POST in English 10 Jan 93 p 20

[Article by Sombat Ratsakun on the Cambodian Log Export Ban Entitled: "Local Thais—Government Decision Is Self-Defeating"]

[Text] Ever since it became certain that the deadline for the ban on import of logs from Cambodia would not be extended Sirisin Prateepasen has been relying on his favourite foreign whiskey to calm his nerves. He still refuses to accept the fact that his 100-million-baht investment in the logging business in Cambodia has almost overnight come to nothing but a bitter dose of medicine—hard to swallow and too little to restore his health.

After spending two years going through various government channels to obtain a logging permit in the Khmer Rouge-controlled forests, his company PC Udon Supplies Co Ltd, finally began transporting logs in December after, starting work only last May. All that now comes to almost nothing. Out of 300,000 cubic metres of logs he was allowed to fell for the duration of a five ear concession, he was able to move only 8,000 cubic metres across the border.

"It's not enough even to pay for the interest on the loan I took for the business," Sirisin fumed, turning to take a gulp of his whiskey.

The United Nations Security Council on November 30 endorsed a decision by Cambodia's Supreme National Council (SNC) to enforce a ban on log exports starting December 31. The move is part of an attempt to force the Khmer Rouge to comply with the Paris peace agreement.

The restrictions require controlling Thailand's vast trade along the 680-kilometre border with Cambodia. Thai bankers have estimated the bans would cause an immediate loss of one billion baht ($40 million) in border trade, 960 million baht ($38 million) of that in the logging business.

While the Thai Government may win praise from the world community for complying with the United Nations resolution to impose the log import ban and a limited trade embargo to force the Khmer Rouge to honour the Paris peace pact, local Thais whose livelihood depends on the border trade sees the action as a self-defeating move.

Most of them acknowledge that the Government cannot afford to defy the UN resolution. But, they say, it could have at least put more effort into negotiating with the UN and the SNC for an extension of the deadline.

They say the Government has been more concerned with its own image in the eye of the world than with its citizens' livelihood. They argue that the border closure would do nothing to improve the country's image, but that the strict action taken by the Thai side would only benefit Japanese loggers. Thai loggers are the only ones who are hurt because there is a huge left-over of uncut logs which cannot be transported into Thailand, they say.

They also say that the disaster befalling them is the result of poor management by the Government. Foreign Minister Prasong Sunsiri, particularly, comes in for harsh criticism for his "inexperience in foreign affairs" and his "sympathy for the Japanese".

Squadron Leader Prasong Sunsiri had said in December last year that the world community has been actively campaigning for the protection of the natural environment. Thai logging businesses in foreign countries involve the destruction of the natural environment in those countries, and thus they adversely affect Thailand's image.

Retorted Mr Sirisin: "Many ministers in Prime Minister Chuan Likphai's Cabinet had long been involved in logging business. They have all become wealthy because of their logging concerns."

Money spent in setting up some of the political parties in the coalition and in gaining votes in past election campaigns had come from logs felled in Burma's forests, he scoffed.

Mr Sirisin charged that the Government's failure to obtain extension from the United Nations over the deadline of the border closure has caused an economic disaster and massive unemployment to a large number of people who have come to depend on the border trade for their living.

Sisaket Governor Uthaiphan Sanguansoemsi estimated that each company was able to bring out from Cambodia an average of only 10,000 cubic metres of timber before the deadline, a great deal less than the amount they were allowed to fell—2.4 million cubic metres each.

Four of the seven companies have decided to keep their field workers, trucks and machinery close to one of the two border passes previously open to loggers so that they will be ready to haul the logs out as soon as permission is obtained.

These companies have set up temporary camps in four villages close to Sangam Pass, located in Phu Sing Subdistrict, and have mobilised workers to repair and clean their dust-clogged vehicles.

Some other companies have left workers in Cambodia to mind machinery and felled logs in the hope that the SNC and UN authorities will grant permission for their passage to Thailand.

While the Khmer Rouge are despised by those concerned with world politics, they are generally admired by Thais who have business dealings with them.

Mr Sirisin said he liked doing business with the Khmer Rouge. The faction would fully provide security to his business and would not allow any form of disturbance from other factions or even from its own soldiers. Log trucks operating in the Khmer Rouge-controlled area would never be robbed or hijacked as had often happened in areas controlled by the other factions, he claimed.

He said a Khmer Rouge leader, who oversaw the area opposite Si Sa Ket Province, told him that some Japanese logging concerns had tried to obtain concessions to log in the Khmer Rouge-controlled area. The Khmer Rouge rejected their overture.

Log truck driver Paithun Yudi said residents and soldiers in Khmer Rouge-controlled areas are more disciplined than those of other Cambodian factions. They would never cause you trouble, he said. Even disabled people would prefer walking to hitching a ride with log trucks for fear of inconveniencing them, he insisted.

He said he had worked as log truck driver last year in the area controlled by the Sihanuokist faction at Chong Chom Pass in Surin Province, and on several occasions he had had the unpleasant experience of meeting residents and soldiers there.

Some soldiers had the habit of halting passing trucks to get a ride. And if the truck failed to stop, they would start shooting at its tires, Paithun said. Yet if the truck picked them up, they would ask I driver to turn on the radio or do other things which annoyed the driver.

He further alleged that soldiers sometimes took drivers' belongings like a thermos bottle or radio when they got off the trucks.

"No one dared to demand the things back from them because they were fully armed with war weapons," he said.

Paithun said his company has a concession to log in Siam Reap Province which is about 60-70 kilometres from the border. The Khmer Rouge has built a network of roads to link villages in its territory and constructed hospital in every village.

He said the Khmer Rouge leader who controlled the area across from Chong Sa-ngam Pass in Si Sa Ket, known by the name of "Tamok," was a decisive leader who was much respected by all his people. Tamok seemed not to be overly worried by the UN sanction, he said.

The ban on log import and oil sale will have little effect on the Khmer Rouge because they have little need for more oil, Paithun speculated. The Khmer Rouge have a large stockpile of oil and war weapons, and their combatants are ready to fight a new round of war if it breaks out, he said.

As a resident of Ubon Ratchathani, now unemployed because of the UN sanction, he said he has a question for Ubon MP Deputy Interior Minister Suthat Ngoenmuen: "What does the Government propose to do with the 100,000 unemployed workers from the border?"

Somphong Arunyadet, a partner in Surin Thanapong Construction Limited Partnership, remarked that money earned from logging is just a sideline for the Khmer

Rouge. Their real purpose is to have more agricultural land after the logging is done in their area, he said.

Chan Khantikachonsonta, who has extensive business interests in logging and gem mining in Khmer Rouge-controlled areas, did not believe that war would erupt again. The factional wrangle in Cambodia is just part of the bargaining process, he said.

Mr Chan said the Khmer Rouge refused to comply with the peace agreement because they felt they have been unfairly treated by the UN. "They don't want to fight. But if it's necessary, they are ready for it," he said.

The Khmer Rouge, who slaughtered an untold number of Cambodians during reign of terror in the 1970s, had fought the Vietnamese-installed government for 13 years until the signing of the peace accord in October 1991.

Many logging and gem mining companies, meanwhile, still maintain their heavy equipment and keep their workers inside Cambodia. There are 32 Thai companies operating 112 gem mines in Cambodia. Only 10 have brought their equipment back across the border, said Mr Chan.

The chairman of the gem mining operators' association and a major shareholder of Chaophya Chai, a logging company in Bo Rai District of Trat Province, said his concession areas are in Pursat, about 30 kilometres from Pailin Province. All of his company's heavy equipment are still in the Cambodian territory, he said.

Thai traders ate trapped in a position where they are unable to retreat even though the risk of war may be high because of possible loss to their huge investment, Mr Chan noted.

When logging was officially allowed in Cambodia, five companies in Trat were granted concessions to transport logs from Cambodia through checkpoints at Ban Ma-Muang and Kradoog Chang in Bo Rai District and Tha Sen checkpoint in Maung District.

A senior official said earlier in Bangkok that 26 companies are involved in the timber trade with Cambodia. They reportedly have been allowed to fell some three million tons of timber of which about half have been hauled into Thailand.

Plight of Log Workers Detailed

BK1101044793 Bangkok THE SUNDAY POST in English 10 Jan 93 p 21

[Article by Sombat Ratsakun on the Cambodian log ban: "A New Year These Poor People Will Never Forget"]

[Text] While Thais throughout the country were gearing up for a New Year celebration, more than 5,000 of their compatriots were hard at work deep inside forests in Cambodia, desperately trying to haul as many hardwood logs as they could across the border into Thailand to beat the December 31 deadline on log import ban.

For both logging investors and their workers, each cubic metre of hard wood means money to repay their loans and interest on them. But with time running out faster than they could haul the wood, they were helplessly looking at their investment evaporating as the New Year approached.

The Cambodian tropical rain forest across from Chong Sangam Pass at Ban Natambon in Phusing sub-district of Sisaket Province is one of the most complete natural forests across Lower Northeast of Thailand.

Here, more than 500 log trucks were lining up along the 11-kilometre stretch of road leading from the log yards in a Khmer Rouge-controlled area to the Thai border. The Khmer Rouge cadres who have so far refused to join the Cambodian peace process, were employing every possible means to facilitate the loggers to get their merchandise across the border before the barriers came down.

When the clock struck midnight on December 31, less than five per cent of all felled logs managed to make it through.

"The UN sanction is beyond my expectation," moaned teary-eyed Sayan Buntot, owner of a petrol station in Phusing sub-district of Sisaket Province.

Lured by the prospect of a quick profit, Mrs Sayan two years ago took a 140-million-baht bank loan to set up Kukan Arunsawat Limited Partnership to operate a logging concession at Chong Sangam Pass. Now that the long-awaited ban on logging export imposed by the United Nations and Cambodia's Supreme National Council (SNC) has come to pass, she and other "new capitalists" like her are helplessly looking at their investment trapped inside the country at the brink of a new round of violence.

"I thought that I'd complied with all legal requirements in setting up my business. I spent more than two years to get the permit from the Government," she said.

"Now I'm heavily in debt. My petrol station is in danger of being confiscated by the banks."

Three other companies in the same area share the same fate as Mrs Sayan's. These are PC Udon Supplies Co Ltd, Mor Lor Lor 33 Co Ltd, and Surin Thanaphong Construction Ltd Part. Each of the four companies had received a five-year concession from the Khmer Rouge to fell a total of 300,000 cubic metres of logs, and each had invested an average of 150 million baht to carry out the deal. The four companies have sub-contracted portions of their concessions to some 20 other investors.

By midnight on December 31, PC Udon Supplies Co Ltd was able to move only 8,000 cubic metres of the felled logs. Owner Sirisin Prateepasen complained that this amount of logs, once sold, would not be enough even to pay the interest on his loan.

"A few days before the deadline, the traffic at Chong Sangam Pass was caught in a terrible confusion of log trucks. They were mobilised from everywhere in the Northeast to try to bring in as many logs as possible out of Cambodia," Mr Sirisin said, recalling the scene of near pandemonium as the deadline drew near.

All the companies competed with each other to get their trucks out, but the traffic was more than the road could accommodate. Used to be able to zoom down the road on normal days, now the log trucks were jammed in a long queue from the thick jungle in the Khmer Rouge-controlled area to pass checkpoints across the Thai border.

Before the border closure, logging investors had banked their hopes on the Government to negotiate with the UN and the SNC for an extension of the deadline, perhaps for another six months or so. But their hopes were dashed as the Government failed to secure the agreement, and they looked on helplessly as the barriers came down and Thai border officials evacuated leaving only a skeleton crew to man the closed checkpoints.

Now many investors are looking in the face of bankruptcy in contrast to the time not long ago when all they saw were baht notes dancing in their eyes as they gazed across the border at the lush Cambodian forests.

Mr Sirisin blamed his misfortune not on the four antagonistic Cambodian factions nor on the United Nations, but on the Thai government which he charged have misled people to believe that they would reap huge benefits from doing business in Cambodia. Many business persons in the same situation apparently share his view.

Most of the investors are local business people in the Northeast. They got involved in the logging business in Cambodia during Gen Chatchai Chunhawan's administration which had proclaimed its policy to turn Indochina from "a battle field into a market place."

Lured by the government's promise of lucrative deals and high profits, these business people plunged into the new venture. Now they have become victimised by their ignorance of both local and regional politics which, in a short time, has turned the situation around. "We have done no wrong. It's the government who has done us wrong. We became involved in this busines because of the government's policy. We have complied with all their requirements," Mr Sirisin complained bitterly.

He had spent two years to go through the laborious process of applying for a permit to log in Cambodia, contacting 18 government agencies in four ministries, he said. In the process, he spent over 100 milion baht in cash to acquire the permit from the government and a concession from the Khmer Rouge, to purchase logging equipment and trucks and to employ thousands of workers to do the logging.

But business people are not the only ones to suffer the political turnabout. Ordinary villagers who became subcontractors, workers, and hired-hands have also plunged down the same abyss. And if their financial loss is not as great as that of the business people, their plight and suffering are no less.

Last year's gruesome drought resulted in more than 100,000 people escaping from their poor villages, heading determinedly toward the Thai-Cambodian border to seek jobs with timber companies. They hoped to gain extra income in the dry season to alleviate their suffering from the year's famine and drought in their villages. But the unexpected had occurred, and they are left with unemployment and even more debts.

In the Khmer Rouge-controlled area in Slam Reap Province which is opposite the Chong Sangam Pass alone, 8,000 people were listed as employed by the four companies and 20 sub-contractors. Mr Chat Loetsupharukkun, manager of the Mor Lor Lor 33 Co, estimated that the number of workers not listed was probably as large.

These now unemployed workers had taken out loans from banks or relatives to buy logging equipment to work with the timber companies. As a condition in their employment, workers must have their own equipment. Some people who applied as drivers had mortgaged all their property to acquire necessary funding to modify their old trucks to haul logs. After signing the employment contact, timber companies generally paid between 50,000 to 100,000 baht as advance payment to each driver.

Some people, hoping to gain even higher profit, had borrowed from banks to buy new trucks and hire drivers and workers to get a sub-contract from the logging companies. Each of them now faces a debt of 2 million baht in average. They say now that the border is closed they have no choice but to let the banks take over their trucks.

Another group of Thais, whose hard life was generally unseen, unheard, and untold, eclipsed by the clamour made by people in the business and politics, are the poor people who worked as cutters in the thick jungle of Cambodia. Theirs was a risky profession. They worked in an environment surrounded by boobytraps and malaria. All of them, in addition, carried with them a debt of 20,000 or 30,000 baht each, which they had borrowed from others to buy their own power saws.

"My family has nothing left. I'm utterly confused," lamented Mrs Nu Pomthalue. She said she was waiting for her husband, who has been trapped inside the Khmer Rouge-controlled are, because of trouble with his truck.

She said that before coming to Chon Sangam Pass, her family had migrate to work with timber companies in Burma. They had purchased a used truck for 80,000 baht.

While working in Burma, she said their truck ran over a landmine and was heavily damaged. Fortunately, her husband who drove the truck escape unhurt.

Mrs Nu's family lost 300,000 baht immediately after the UN sanction took effect. The loan borrowed from a local financier was spent to modify the truck for the heavy-duty task of transporting logs. She said her family has since last month have migrated from her home district of Pon Phisai in Nong Khai Province.

Mrs Nu said her two sons had contacted malaria while working as cutters in Cambodian forests. They were being treated at a local hospital. She said she was desperate for money to pay the hospital fees.

"I don't know what we'll do next. I only know that when my husband returns and my sons recover, we won't be back home. We'll probably head for Bangkok to look for jobs there," she said.

Paithun Yudi, a log trucker, revealed that not only people from remote villages were suffering, but local villagers around the Chong Sangam Pass were also hard hit by debts.

"Some villagers borrowed from banks to build and renovate their houses to accommodate migrants," he said. Their average debt to the banks amounted to about 30,000 baht each.

He himself had hoped to gain extra income from his truck-driving job to repay the 60,000-baht debt which he owed the Bank of Agriculture and Cooperatives. The loan had been spent on his farm, Phaitun said.

Now that the new year has arrived the UN embargo has taken effect, and the border is closed down, the thousands of Thais who are left unemployed and heavily indebted are left to ponder their future. Many of them will certainly find their way to Bangkok, hoping to find a brighter spot in their otherwise bleak and lonely lives.

Japan's Keidanren Views Growth Potential

BK1101022193 Bangkok BANGKOK POST in English 11 Jan 93 p 15

[Text] A recent survey by the Keidanren on how Japanese investors perceive the long-term growth potential of ASEAN countries puts Thailand behind Indonesia but ahead of all the rest, excluding Singapore.

China emerged as the most-favoured country, followed by Vietnam, in the same survey which covered the Southeast and Northeast Asian regions. Both came ahead of ASEAN which indicated that the Keidanren members look at them as more attractive investment destinations in the long run.

The part of the survey dealing directly with Thailand provided some salient insights into how Japanese big businesses view the political and economic situation in this country.

On the question of political stability, a major factor influencing the investment climate, 33 of the total 43 companies responding to the Keidanren survey believed Thai politics would remain fundamentally stable although there might be some unstable aspects.

However, a smaller number of 10 respondents painted a gloomy picture of political instability and voiced concern over possible military intervention.

But the majority of the respondents concluded that His Majesty the King will continue to provide the most important stabilising factor.

On the economic side, majority of the Keidanren members believed Thailand would continue to enjoy relatively high growth although the growth rate might decline slightly in the years ahead.

The respondents listed a large domestic market, a relatively cheap and industrious labour force, a fast-expanding economy that is reaching NIE (newly industrialised economy) status as among the advantages offered by Thailand.

But the list of investment obstacles cited by the Keidanren members was long.

These included insufficient infrastructures, shortage of skilled manpower (particularly technicians and mid-management level), plus rising wages and job-hopping, restrictions on foreign-capital share in joint ventures, lack of parts and supporting industries, over-concentration in Bangkok and insufficient protection of intellectual property rights.

Miyazawa To Question Chuan on AFTA

BK1101031193 Bangkok THE NATION in English 11 Jan 93 p B1

[Text] Japanese Prime Minister Kiichi Miyazawa will pose questions to Prime Minister Chuan Likphai about the ASEAN Free Trade Area [AFTA] when he visits Bangkok this Friday, according to a high-ranking trade official at the Japanese Embassy.

Prime Minister Miyazawa will also reaffirm Japan's commitment to work with Thailand to revive Indochinese economies and shore up the Cambodian peace process.

The official said Japan was concerned about the rising tide of regional trade bodies that have sprung up in recent months, the latest being AFTA.

"I think one thing Prime Minister Miyazawa will talk about with Prime Minister Chuan is regionalism," he said. "We want to know if AFTA is consistent with the international trade rules of the General Agreement on Tariffs and Trade."

The top-level visit, which will be the first encounter between Miyazawa and Chuan in their capacities of head of state, is also expected to address Thai views on the current round of world trade negotiations which have dragged on into a seventh year. The GATT talks are expected to be completed sometime during the next few weeks.

And according to the Japanese official, the Miyazawa visit will allow Thai concerns to be vented through Japan, which is due to host a G-7 summit meeting in

July. G-7 is a seven-strong group of the most advanced industrialized countries in the world: Britain France, Germany, Italy, the United States, Canada, and Japan.

"Japan is the only Asian country in the G-7, so we want to make sure ASEAN views are reflected when the group meets," he said. "This is a major reason for Prime Minister Miyazawa's visit to ASEAN."

In addition to Bangkok, the Japanese Prime Minister will pay calls in Jakarta, Kuala Lumpur, and Brunei. Singapore and the Philippines are omitted because their leaders are due to visit Miyazawa in Tokyo soon.

Miyazawa will spend two days in Thailand, arriving at midday on Friday and leaving for Brunei on Sunday morning. His official visit, which includes an audience with His Majesty the King and a luncheon speech to the Foreign Correspondents Club on Saturday, is Thailand's first from a major world leader in more than three years.

The official added that Miyazawa will use the visit to extend cooperative efforts between the two countries concerning the development of Indochina, particularly Vietnam, where both countries have vast shared interests.

A senior diplomat attached to the Japanese Embassy noted Thailand's recent moves to abide by United Nations resolutions and rectify the Cambodian peace agreement, calling the Thai decision to sever border trade with Cambodia "courageous."

The diplomat said Miyazawa and Chuan will discuss the situation in Cambodia at great length in order to ascertain what further efforts are needed to stimulate the peace process, which stalled recently due to Khmer Rouge intransigence about compliance with peace accords.

Other topics for the prime ministerial discussion will include trends in bilateral trade, Japanese investment in Thailand and the ongoing recession in Japan, and how it can be ameliorated.

The trade official pointed out that recent surveys in Japan indicated a preference among Japanese companies to invest in southern China, North America and Indonesia. Thailand ranked fourth as an official investment destination, although it used to surpass Indonesia.

Japanese firms complain most about the deteriorating environment and infrastructural bottlenecks in Thailand, which lead to unattractive living conditions. In addition, the lack of skilled manpower is a major constraint on Japanese investment.

Army Official on Cracks in U.S.-Made Tanks

BK1001032093 Bangkok THE SUNDAY POST in English 10 Jan 93 p 4

[Text] Cracks found in the armour of the Army's latest tank—the US-made Stingray—are the result of normal wear and tear, Army secretary Maj-Gen Chaturit Phromsakha na Sakon Nakhon said on Friday. Maj-Gen Chaturit said the cracks are an "old story" that had already been made public.

"It's normal. Weapons break down and we just maintain and fix them," he said.

Cracks have been reported on many of the 106 light Stingray tanks after they fire their cannons. Thailand paid 4,000 million baht for the tanks. An army committee chaired by the Army Chief-of-Staff decided to buy the tanks because of the strategic requirement of the weapon, the country's need for a flexible light tank and because the procurement contract provided for tests to find faults, Maj-Gen Chaturit said.

If faults were found, the company will repair the tanks. The maker of the tanks is now repairing them, he said.

"When you fire a cannon there will be some wear and tear. This is true of everything you use. Even the Chinese tanks have this. It's nothing," he said.

Paper Calls Tanks 'Another Scandal'

BK1101015493 Bangkok SIAM POST in Thai 10 Jan 93 p 3

[Unattributed report: "In-Depth Search Into the Story of the Stingray: Famous Tank Then and Now"]

[Text] Under the policy to strengthen the Armed Forces faced with threats from the Indochinese countries, a decision was made to purchase light Stingray tanks for the Army. Several top brass officers will have to explain themselves in regard to this purchase, similar to the case of the Supreme Command Headquarters construction project which became a scandal after a recent parliamentary debate. This is especially true now that the army has admitted that the report was true—that cracks have been found in the armor of the recently delivered Stingray tanks after they fired their cannons during field training. Army Secretary Major General Chaturit Phromsakha Na Sakonnakhon admitted that there were cracks in the tanks, but said this is not a problem because the Army has a maintenance and repair contract for the tanks and weapons, which break down. Yet, the Stingray issue immediately heated up. It is believed that with an in-depth probe into the matter this will become another scandal for the new year.

Concept Behind the Purchase of the Light Tanks

According to a report, the military decided to buy the Stingray tanks to strengthen the Armed Forces based on an assessment that the the Indochinese countries possessed great tank power, especially Vietnam, which was said to have deployed several divisions of tanks in both Cambodia and Laos. The Thai Armed Forces, which only had M41 and M48-A5 tanks at that time, saw the need to acquire more tanks to counter such threats. It was also believed that the enemy's supply line was to the east, and therefore a strategic requirement was based on this geographical fact.

Project of the Light Tanks Taking Shape

In mid-August 1985, General Athit Kamlang-ek, then Army commander in chief, assigned the Cavalry Center, with Major General Ratsami Wongphrommek as its commander, to take responsibility for demonstrating and testing the Stingray commando light tanks and to report back the findings. According to the report, the test was completed in April 1986 and a report was presented to Gen. Athit Kamlang-ek for forwarding to the Defense Ministry.

Test Results

The report submitted by the Cavalry Center to Gen. Athit Kamlang-ek, then Army commander in chief, indicated that the prototype Stingray tanks, supplied by the U.S. Cadillac Gage Company through the Commercial Associate Company of Naowarat Phatthanodom, had several disadvantages. The tanks were not fully equipped with the necessary weapons under contract. For example, they were not equipped with an anti-nuclear system, they had no interference-free communications system, and the tank armor could only withstand 23-mm ammunition. If the armor was thicker, then the engine would slow down under the strain and use more fuel. The report made an observation that the thin tank armor should put the Stingray into the anti-tank vehicle category rather than calling it a light tank.

Mystery in the Approval of the Purchase

There was a surprise dismissal of Gen. Athit Kamlang-ek as Army commander in chief on 29 May 1986, leaving him only the post of supreme commander which he held until his retirement on 31 August of the same year. On 24 September 1987, Air Chief Marshal Phaniang Kantarat, defense minister at that time, presented to the Prime Minister's Secretariat for forwarding to the cabinet for approval the proposal from the Defense Ministry for the purchase of 106 Stingray tanks for the Army. According to the Defense Ministry's document, the 106 Stingray commando tanks, worth U.S.$160,839,999.88, or about 4,136,804,796.91 baht, would be supplied with spare parts and equipment by the U.S. Cadillac Gage Company "under special treatment as necessary items to be directly purchased from abroad."

On 29 September of the same year, during a Cabinet meeting chaired by Deputy Prime Minister Phichai Rattakun, in the absence of the then Prime Minister Prem Tinsulanon who was visiting Greece, the United States and Japan approved the Defense Ministry's request for the purchase of the Stingray tanks, with details on the payment as follows:

The first payment, worth U.S.$4.021 million, was to be made in 1987 after the signing of the contract, to be followed by U.S.$20.205 million in 1988; U.S.$24.125 million in 1989; U.S.$24.126 million in 1990; U.S.$32.168 million in 1992; and U.S.$24.126 million in 1993. (The cost rose with the addition of interest. The company proposed a price of U.S.$1.05 million for each tank if paid in cash). Under the contract, the company would start delivering the first batch of eight tanks 18 months after the first payment was made, to be followed by a monthly delivery of eight tanks until all 106 tanks were supplied.

The Final Chapter But Not the End

It is of note that after the Cabinet gave its approval, the Army, through General Wanchai Ruangtrakun, then Army chief of staff, signed a purchase order for the tanks on 30 September 1987, the last day of the fiscal year. This stirred up criticism—it was said that the Stingray tank which the Army bought was a prototype tank built by the Cadillac Gage Company that had never before been sold to any country. It was not recognized by the U.S. Army. Now with the story of the cracks in the tank armor, followed by the statement by Army Commander General Wimon Wongwanit, who said "There will be an investigation," the Stingray matter will certainly become a hot issue worth watching.

Chuan Comments on Results of Malaysia Trip

BK0901041093 Bangkok BANGKOK POST in English 9 Jan 93 pp 1, 3

[Text] Malaysia has agreed to a Thai proposal that an election of Cambodia's Supreme National Council president be held before a general election takes place in that country, Prime Minister Chuan Likphai said yesterday. Mr Chuan made the disclosure upon his return from a two-day visit to Malaysia.

Foreign Minister Prasong Sunsiri also said Thailand would consult other ASEAN countries on the proposal later. The foreign minister said he would discuss the matter with his Indonesian counterpart who would be passing through Thailand soon.

Sqn-Ldr [Squadron Leader] Prasong said he still did not know the details of Prince Norodom Sihanouk's meeting with UNTAC chief Yasushi Akashi and had yet to see reports about Cambodian dissatisfaction with UNTAC [UN Transitional Authority in Cambodia] measures.

Before leaving for Bangkok, Mr Chuan told a press conference in Kuala Lumpur that his trip to Malaysia—his first foreign visit since he became prime minister in October—was aimed at strengthening bilateral relations and not at making unilateral gains for Thailand. The Premier said he did not want Thailand seen as a self-interested "economic animal".

Mr Chuan added that he had made clear to his Cabinet ministers that their foreign visits would be for making mutual benefits "otherwise no countries will be friends with us".

Mr Chuan said he chose Malaysia for his first visit because he was close to some Malaysian ministers and because the two countries shared a common border. He praised Kuala Lumpur for its willingness to release 237 Thais arrested in Malaysia provided it could be verified they really are Thai citizens.

The Premier also hailed Malaysia's decision to allow Thai workers and other foreigners to work in Malaysia for up to three years.

Back in Bangkok, Mr Chuan said Thai businessmen who accompanied him on the trip had succeeded in working out many cooperative ventures with their Malaysian counterparts and would follow them up later. But he added that the most important thing about the trip was the good understanding that both sides had established.

Regarding separatist problems in southern Thailand, Mr Chuan ssid they had not been brought up for discussion since Thailand considered them internal affairs.

Mr Chuan said he had also informed Malaysia of Thailand's idea of establishing a balance among countries in the Mekong river basin. The Malaysians said they thought this was a good direction and were eager to cooperate, he said.

Mr Chuan said the Southern Seaboard project was not officially discussed, but in private the Malaysians had expressed an interest to be kept informed.

Malaysian parliamentarians had not asked about Thailand's Political stability but expressed happiness to see a general election and an elected government in their neighboring country, he said.

Asked about the paddy price problem and reported attempts to mobilise farmers to protest against the Government, Mr Chuan said it was the Government's duty to solve whatever problem there was.

It was normal that government measure to solve the paddy price problem would be found unsatisfactory by some parties. However, a senior police officer said yesterday that farmers had alredy called off their plan to stage a protest in front of Government House today. But if they actually came, they would be asked to rally on Nakhon Pathom Road instead, said Deputy Metropolitan Police Commissioner Maj-Gen Chaisit Kanchanasit.

Commentary Says Trip 'Botched'

BK0901061293 Bangkok THE NATION in English 9 Jan 93 p A6

[Commentary by Kawi Chongkitthawon from Kuala Lumpur titled: "Chuan's 'junket' tour to Malaysia?"]

[Text] Prime Minister Chuan Likphai achieved very little, if anything, from his first official foreign visit to Malaysia. Prior to departure, Chuan's aides gave the impression he wanted to show to Malaysia that Thailand is serious in co-operating in the economic development of the region, especially in the Northern Growth Triangle and Indochina.

The trip, billed as the country's biggest delegation ever to a neighbouring country, was intended to create an impact and boost Chuan's international image in the regional forum. These two objectives stemmed from continued domestic pressure on Chuan to perform in the field of foreign affairs. Since he resumed his premiership in September, many have questioned his diplomatic ability.

His aides planned, and in the process inflated the importance of the trip with very little consultation with the Foreign Ministry, according to a delegation source.

The cramped three-day visit was aimed at promoting bilateral ties, Chuan told a press conference yesterday before he returned to Bangkok. He said he would make further informal visits here.

Being a good host, Malaysia made a concession to Thailand—to allow Thais to work in this country using the certificate of identity issued by Thailand as a passport and work permit. Thailand had asked for one-year validity, but Malaysia agreed to three years. Malaysia's favourable response was understandable, given its urgent need for skilled and cheap labour. About 12,000 Thais have been working illegally in Malaysia in the fishing, plantation, construction and domestic helps sectors. In the future, Malaysia wants more Thais in service industries such as tourism.

The subject of the Northern Growth Triangle, which involves the northern state of Penang in Malaysia, the provinces of South Thailand and Medan in Sumatra was raised by Mahathir. It's a proposal Thailand supports. The Thai side raised many bilateral problems, such as fishing, but Malaysia avoided making any further commitment.

Besides the one-hour plenary session and a half-hour private discussion between Chuan and Mahathir on Wednesday, the 88 delegates had nothing to do and seemed relatively free. The Malaysian Foreign Ministry viewed Chuan's visit strictly as goodwill, which normally would not include serious bilateral issues. As such, there were no Malaysian counterparts for Thailand's eight visiting ministers.

During previous visits by Thai prime ministers, their delegations were much smaller—but effective. Gen Prem Tinsulanon came with 50 delegates and Chatchai Chunhawan with 40. Anan Panyarachun's was the smallest with 30 delegates and only two ministers. Both Chatchai and Anan were able to turn "goodwill" trips into memorable successes because they were able to introduce new initiatives. Chatchai raised the policy of turning the battlefield of Indochina into market places, while Anan had his mind on an Asean Free Trade Area. Both ideas have made impacts on the regional scene.

Although some delegates praised Chuan for raising the proposal for a Mekong basin development committee—a far-from-new suggestion involving Vietnam, Cambodia and northeastern Thailand mentioned in the prime minister's speech to welcome Filipino President Fidel Ramos last month—many thought that Kuala Lumpur was the wrong forum. They said Malaysia is not part of the Mekong basin and any development in that area could not directly affect Malaysia's role and interests in the region, despite the complementary nature of the scheme.

Moreover, given the situation in Cambodia it will be a long time before any Mekong community can take the idea seriously. Hence Mahathir's failure to respond to Chuan's idea.

Chuan could have achieved a similar outcome with a much smaller delegation. One delegate complained that with such a large entourage, Chuan could not stand out. He pointed out that Japanese Prime Minister Kiichi Miyazawa, who is scheduled to visit Malaysia next week, will be accompanied by only 13 representatives and be without any ministers. Chuan could have spent more time in building a personal rapport with Mahathir.

A foreign ministry official said Chuan and the rest of delegates missed the opportunity to appreciate the power and influence of the ruling United Malay National Organization (UMNO) and befriend its members. "They (UMNO) are here to stay," he said. However, some Thai delegates were able to chat briefly with the Malaysian MPs and senators.

To be fair, Chuan did his best when he visited Parliament House, the Dewan Rakat. Chuan, whose career has been solely in the parliamentary system, told Malaysian Parliament President Datuk G. Vadiveloo that he appreciated the Malaysian system of democracy and the difficulties it has been through. He also shared his experiences with Vadiveloo on the problems of keeping opposing MP's from each others throats and ensuring that members behave with decorum.

If the Malaysian trip is any indication, domestic pressure on Chuan to perform diplomatically abroad will continue to dominate the thinking of the PM's office in planning future foreign visits. Chuan's international image needs time to mature.

His recognition on the international scene will not be instantaneous—despite the wishes of senior Thai officials—and will certainly not come from this botched trip.

Analysts Comment on Trip

BK1101023993 Bangkok BANGKOK POST in English 11 Jan 93 p 15

[by Saman Sutho]

[Text] The first foreign trip by Prime Minister Chuan Likphai to Malaysia last week was not a total success, according to analysts. Nor was it a total failure.

It provided his aides with a basis for more homework in order to prepare for another trip.

Some delegates observed that Thailand's proposal was not fully accepted by the Malaysians.

Last week, Mr Chuan led 88 delegates including eight Cabinet members, some Members of Parliament, high-ranking officials and leading businessmen on the official visit to Malaysia.

Malaysian Prime Minister Mahathir Mohamed asked Thai authorities to do two things for his country.

Thailand agreed to ease Japanese and US worries about a Malaysian proposal on the East Asian Economic Caucus.

Thailand also agreed to cooperate in the development of a proposed Northern Growth Triangle.

Thailand's National Economic and Social Development Board and Malaysia's Economic Planning Unit will make a feasibility study of the project.

Malaysia agreed to ease problems for Thai workers using certificates of identity issued by the Thai Embassy to work in Malaysia.

They will be able to work for three years instead of six months, but Kuala Lumpur stood firm on fishing problems.

Thailand agreed to lobby for the Malaysian proposal on the East Asian Economic Caucus during the visit of Japanese Prime Minister Kiichi Miyazawa to Bangkok.

It will also correct any US "misunderstanding" on this issue.

Malaysia wants Thailand to explain that the caucus is to be a forum for consultations on free trade and related development issues. It will not be a trade bloc.

The Malaysian Prime Minister in his official speech said his country is keen to discuss with Thailand and Indonesia a sub-regional approach to economic cooperation, especially the Northern Growth Triangle involving the northern states of Malaysia southern Thailand and northern Sumatra.

A Thai delegate said Thailand agreed to accept all that Malaysia put forward, but Kuala Lumpur's position was unclear on a number of issues, except that of Thai workers.

Malaysia is short of labour for its fishing fleet, rubber and palm plantations, construction and other industries.

Thailand wants a solution to fishing problems because Malaysia detains Thai vessels which pass through Malaysian waters to the high seas.

Malaysia claims some vessels in fact fish in its waters.

Air surveillance will be used to detect vessels which are on "innocent passage" and those which are fishing illegally, Kuala Lumpur decided.

A Thai Fisheries Association representative said he hopes this will end the problem.

He also hopes that a Thai private-sector proposal for a fishing joint venture with a Malaysian company will be considered by Kuala Lumpur as another way to solve the problem.

Joint Study With Malaysia on Oil Explotation

BK0901085293 Bangkok Radio Thailand Network in English 0000 GMT 9 Jan 93

[Text] A study will be conducted on the exploitation of petroleum resources of the joint development area at Thailand-Malaysia border. Chief of the Malaysia-Thailand Joint Authority Charu-udom Ruangsuwan says the joint authority will hold talks with three private firms on the study, which is expected to be completed within three years. If both countries agree to explore and produce petroleum from the joint development area, it is expected that a 130-km-long gas pipeline will be installed from the overlapping economic zone to the Erawan drilling area. The gas will be channeled through Khanom District of Nakhon Si Thammarat. Altogether the gas pipeline will be 500 km long.

Thailand and Malaysia have signed an agreement to establish the Malaysia-Thailand Joint Authority to oversee the exploitation of petroleum resources in the overlapping economic zones in the Gulf of Thailand off the State of Kelantan and Songkhla Province. Both countries also agreed on profit-sharing from the joint venture equitably.

General Denies Involvement in Bangkok Bombings

BK1101021593 Bangkok BANGKOK POST in English 11 Jan 93 p 3

[Text] Armed forces inspector-general ACM [Air Chief Marshal] Kaset Rotchananin yesterday denied any involvement in the spate of bomb explosions that rocked Bangkok late last year.

He said he was not involved in any way in the bomb explosions at the Interior Ministry and at bus No. 4 terminal in Talat Phlu that killed five people.

The two incidents are suspected to be the work of an "old power clique", that allegedly wanted to discredit the Government, especially Interior Minister Chawalit Yongchaiyut.

ACM Kaset, who has been closely linked to involvement in the May crackdown, told the BANGKOK POST he had nothing to do with the bombing.

"It is the responsibility of the Government to prevent such incidents and to provide the people with safety and protection.

"I had nothing to do with it. It would be quite bad if I had done so," he said.

On the Government's performance, he said it should be given more time to see if it would work.

"If the Government does not do anything, the people will come out to protest. If it cannot work, there might be a Cabinet reshuffle. The Opposition must also keep the Government in check," ACM Kaset said.

"I don't think any mob or explosion would be able to rock the Government. I believe politics outside Parliament will soon disappear from Thailand.

BOI Reports Investment Decline in 1992

BK0801135393 Bangkok Radio Thailand Network in English 0000 GMT 3 Jan 93

[Text] Domestic investment in Thailand declined by 30 percent in 1992 from the previous year. The secretary general of the Board of Investment, or BOI, Sathaphon Kawitanon, said the number of projects granted BOI promotional privileges increased by 152 percent last year. This was because a total of 10 large projects with huge investment received promotion from BOI. These projects involved services activities, public utilities, and industrial operation. They would substitute imports. With the exception of these projects, investment capital in Thailand was likely to drop by 50 percent. Mr. Sathaphon said that, during the same period, foreign investment in Thailand declined by 35 percent, with a drop of investment capital by 40 percent. The decline was attributed to the reduction of investment from Japan, the United States, and European countries. Investment from Taiwan, Hong Kong, and Korea remain unchanged. Investment from China rose significantly last year by 118 percent.

Vietnam

'Concern' Expressed Over Cambodian Developments

BK1001120093 Hanoi Voice of Vietnam in English 1000 GMT 7 Jan 93

[Station commentary]

[Text] Cambodian Premier Hun Sen has released a four-point statement on the stand of the Cambodian State in face of the present standstill in the peace process in the country. Here is our radio comment on this issue:

Many of you may have known that the Cambodian situation has come to real trouble. During a press conference held in Phnom Penh prior to the release of the four-point statement, Premier Hun Sen strongly condemned the Democratic Kampuchea, the main reason for the present standstill in the peace process in Cambodia.

Premier Hun Sen said: The present situation is not only difficult, but it also [words indistinct]. He said that the situation will become worse if we fail to find a solution to the problem caused by the Democratic Kampuchea. He stressed: It is necessary to implement the Paris Agreement to [words indistinct]. Therefore, all obstacles to the agreement must be ruled out.

Premier Hun Sen called on concerned parties to consider the Democratic Kampuchea the rebel. He maintained that at present the Cambodian people cannot be settled in (?localities) because the Democratic Kampuchea refused to abide by the Paris Agreement. Premier Hun Sen warned: What will happen after spending $2 billion for the elections? It is still the war and division, a fait accompli in Cambodia. Premier Hun Sen called on the United Nations to strengthen the power of the UN representative in Cambodia, allowing the peacekeeping forces to enter into areas controlled by Democratic Kampuchea and launch necessary attacks.

Also at this press conference, Premier Hun Sen told newsmen that the Government of the State of Cambodia will not participate in the elections if the Democratic Kampuchea is still allowed to join the peace process after January 31, 1993—the UN deadline of voters' registration.

The four-point statement sent by the premier of the State of Cambodia to the two co-chairmen of the Paris International Conference on Cambodia and the UN Security Council include:

1. To carry out any measure to put an end to all armed violations of the Democratic Kampuchea, forbidding them from enlarging their territory.

2. In order to ensure a coming free, fair, and democratic election, it is required to set a deadline on January 31 for the participation of the Democratic Kampuchea in conformity with Paragraph 5 of Resolution 792 of the United Nations Security Council.

3. In case the Democratic Kampuchea does not abide by the Paris agreement and stands outside the elections, they will be ruled out of the peace process in Cambodia and declared as outlaw rebels.

4. The State of Cambodia proposed that the presidential election day should be defined.

These developments in Cambodia have caused concern to public opinion in the country and the world. The Thai paper THE NATION, in its recent issue's commentary, said: For the Cambodian, peace is still far away.

Russian Supreme Soviet Delegation Visits

BK0901154193 Hanoi VNA in English 1501 GMT 9 Jan 93

[Text] Hanoi VNA Jan. 9—Chairman of the National Assembly Nong Duc Manh received here this afternoon the visiting delegation of the Supreme Soviet Parliament of the Russian Federation led by S. V. Stepansin, chairman of its security and defence committee.

Welcoming the Russian guests, Chairman Nong Duc Manh said:

"Many works built in Vietnam with the assistance of the former Soviet Union, chiefly Russia, continue to exert a good influence on the social and economic life of Vietnam. This has tightened the relations of cooperation and friendship between our two countries".

Chaiman S. V. Stepansin, for his part, stressed:

"President Ho Chi Minh who founded and fostered the cooperation and friendship between our two peoples, has inspired immortal love and admiration among our people. I wish that the relations between the Supreme Soviet Parliament of the Russian Federation and the National Assembly of Vietnam will further develop to provide the basis for the development of other socio-economic and cultural relations".

The Russian head delegate conveyed the invitation of President Khasbulatov of the Russian Supreme Soviet to Chairman Nong Duc Manh to visit the Russian Federation.

Also this afternnon Vice Premier Tran Duc Luong received the delegation.

At the reception, Vice Premier Tran Duc Luong said that the Russian and Vietnamese peoples are bound by a long-standing friendship and solidarity, and the Vietnamese people will do what they can do to contribute to promoting the cooperation, especially the economic and trade relations, between the two countries in the interests of each and for peace in the world.

In his reply, V.S. Stepansin highly appreciated the achievements recorded by the Vietnamese people in the renovation process, saying that they are creating good conditions to strengthen the economic and trade relations between the two countries.

Russian Ambassador to Vietnam R.L. Khamidulin was present on both occasions.